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ABSTRACT

This module on managing personal matters is one of a series of modules designed to help teach students to become more self-sufficient in their personal and professional lives. This module provides teacher and student materials that are planned to help students maintain personal records, obtain insurance, and deal with funerals and wills. Six units cover the following topics: (1) personal records; (2) risk management; (3) health insurance; (4) life insurance; (5) property insurance; and (6) wills and funerals. Each instructional unit follows a standard format that includes some or all of these eight basic components: performance objectives, suggested activities for the instructor, information sheets, assignment sheets, job sheets, transparency masters, tests, and answers to tests and assignment sheets. All of the unit components focus on measurable and observable learning outcomes, and are designed for use for more than one lesson or class period. (KC)

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SUCCESSFUL STUDIES

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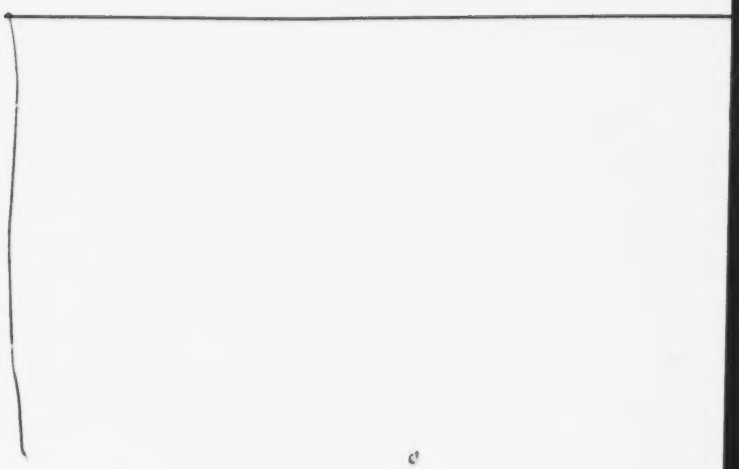
MANAGING PERSONAL MATTERS



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MANAGING PERSONAL MATTERS

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FOREWORD

The Successful Living Skills series is intended to help students become more self-sufficient in their personal and professional lives. The series contains fourteen (14) modules ranging in subjects from Basic Automotive Responsibilities to Managing Personal Matters to Effective Employment Practices. Each module takes the student through the important areas within the subject matter to ensure a basic working knowledge.

The *Managing Personal Matters* module will help the student become better acquainted and more comfortable with acquiring and maintaining personal records; using risk management effectively; and reading and interpreting insurance policies such as life, health, and property. The module also presents the student with facts concerning funerals and wills.

Dr. Roy Peters, Jr., Director
State Department of Vocational
and Technical Education

ACKNOWLEDGEMENTS

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Belinda McCharen, Coordinator of Vocational Guidance
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Technical Writer
Curriculum and Instructional Materials Center

OTHER MODULES IN THE SUCCESSFUL LIVING SKILLS SERIES

Effective Employment Practices

Successful Human Relations

Successful Study Habits

Effective Communication

Basic Automotive Responsibilities

Responsible Citizenship Practices

Basic Shelter Responsibilities

Development of Financial Skills

Successful Clothing Management

Effective Social Skills

Personal Health and Safety

Securing Information

Personal Meal Alternatives

Instructional Units

Managing Personal Matters includes six instructional units. A standard format was established in 1970 for development of instructional materials for all Oklahoma vocational teachers. This format includes eight basic components that form a unit of instruction: performance objectives, suggested activities for the instructor, information sheets, assignment sheets, job sheets, transparency masters, tests, and answers to tests and assignment sheets. Depending on specific objectives, there may or may not be transparency masters, assignment sheets, and job sheets included in the unit of instruction.

All of the unit components "zero in" on measurable and observable learning outcomes. Instructors are encouraged to supplement, personalize, localize, and motivate with these materials in order to develop a complete teaching/learning process.

Units of instruction are designed for use in more than one lesson or class period of instruction. Careful study of each unit of instruction by the instructor will help him or her determine the following

A. Amount of material that can be covered in each class period
B. Skills that must be demonstrated
    1. Supplies and equipment needed
    2. Amount of practice needed
    3. Amount of class time needed for demonstrations
C. Supplementary materials, such as pamphlets and filmstrips, that must be ordered
D. Resource people who must be contacted

Performance Objectives (white pages)

Each unit of instruction is based on the performance needed for successful employment in an occupational area. Performance objectives are stated in two forms: unit objectives, stating the subject matter to be covered in a unit of instruction; and specific objectives, stating the performance necessary to reach the unit objective.

Since the objectives of the unit provide direction for the teaching/learning process, it is important that instructors and students have a common understanding of the intent of the objectives. Following is a list of performance terms, their meanings, and behavioral synonyms that may have been used in this material.

A. Name — The individual supplies a name for objects, events, or people

    Behavioral synonyms: Label, list, letter, record, reiterate, repeat, write

B. Identify — The individual selects a named, described, or pictured object by pointing to it, touching it, picking it up, or selecting it

    Behavioral synonyms: Select, mark, match, choose, judge

C. State a rule — The individual communicates a relationship or principle that could be used to solve problems or perform a task

D. Apply a rule — The individual supplies an answer to a problem by using a stated relationship or principle

   Behavioral synonyms: Solve, calculate

E. Describe — The individual relates sufficient characteristics or properties of an object or event so that a second individual will be able to state what is being discussed

   Behavioral synonyms: Define, discuss, interpret, recite, tell how, tell what happens when

F. Distinguish — The individual selects an object or event from two or more that are easily confused

   Behavioral synonyms: Discriminate, differentiate

G. Order — The individual arranges three or more objects or events in a sequence based on a stated property

   Behavioral synonyms: Arrange, sequence, list in order, classify, divide, isolate, sort

H. Construct — The individual makes a physical object, a verbal statement, or a drawing

   (NOTE: *Construct* is used when the finished product or result is important.)

   Behavioral synonyms: Draw, make, build, design, formulate, reproduce, transcribe, convert, put together, compile

I. Demonstrate — The individual performs several operations necessary to carry out a specified process

   (NOTE: *Demonstrate* is used when it is desirable to watch the student perform a task, one of the highest levels of student performance.)

   Behavioral synonyms: Show your work, show procedure, perform an experiment, perform the steps, operate, remove, replace, turn off/on, (dis)assemble, (dis)connect

The objectives should be provided for students and stressed throughout the teaching/learning process. This will help answer any questions concerning performance requirements for each instructional unit. The objectives can also help determine teaching strategies and instructional methods. Prepare for each unit by deciding how each objective can best be taught.

The objective sheet may also be used as a quick pretest to determine prior knowledge of students and to determine whether further study or activities are necessary. Instructors should feel free to modify, delete, or add objectives in order to meet the needs of the students and community. When changes in objectives are made, the instructor should remember to supply the needed information, assignment and/or job sheets, and criterion test items.

Suggested Activities (pink pages)

This component is included only in instructor material. The suggested activities page assists the instructor during the preparation stage of the teaching/learning process by providing suggestions for delivery and/or presentation during the instructional process. Read the suggested activities before teaching the units to allow time to obtain supplemental materials, prepare audio-visual materials, and contact outside resources. Duties of the instructor will vary according to the particular unit.

The references that are listed are ones used in the development of each unit. They should be used by the instructor to supplement her or his knowledge of the subject area or to help students with particular interests or occupational objectives in the area covered.

Supplements (white pages)

Supplements are additional teaching aids that support portions of the Information Sheet. Supplements include such activities as games, puzzles and additional information (which is intended to be used as the instructor deems necessary.)

Supplements may be photo-copied for classroom use only.

Transparency Masters (white pages)

Transparency master provide information in a special way. Transparencies direct the class' attention to the topic of discussion. Transparencies may present new information, or they may reinforce information presented in the information sheet. They are particularly effective when identification is necessary. Make transparencies and place them in the notebook where they will be immediately available for use.

Information Sheet (green pages)

The information sheet provides "must know" content essential for meeting the cognitive (knowledge level) objectives of the unit. The information is written in a topical outline form and is keyed to the specific objectives.

Instructors will find that the information sheet serves as an excellent guide for presenting background knowledge necessary to develop the skills specified in the unit objective. The information sheet may also be used for coordination activities and advisory committees.

Students should read the information sheet before the information is discussed in class. Space is provided in margins for students and instructors to add notes that supplement, localize, personalize, or provide motivation for each unit.

Assignment Sheets (brown pages)

Assignment sheets give students a chance at problem solving, self-assessment, and/or practical experience with the information. They assist students in the application of knowledges that are necessary prerequisites to skill development. These may be given to the student for completion in class or used for homework assignments. Answer sheets are provided when appropriate and can be used by the student and/or instructor for checking student progress.

Job Sheets (blue pages)

Job sheets are another important segment of a unit of instruction. The job sheets provide a list of equipment, tools, and materials needed to complete a manipulative or psychomotor skill. They describe a step-by-step procedure needed to complete each task or job. Diagrams, photographs, and illustrations are provided to assist students in achieving the skill.

Instructor should demonstrate to students the procedure outlined in each job sheet. Furthermore, the instructor needs to localize the job sheet according to the equipment and supplies available in the local lab or shop situation. Job sheets also furnish potential employers with a picture of the skills being taught and the performances they might reasonably expect from a person who has had this vocational instruction.

Tests (White pages)

This component provides criterion-referenced evaluation of every objective listed in the unit of instruction. It is crucial to note that both paper/pencil and performance objectives must be evaluated.

The tests may be written or oral. It is recommended that the tests be divided into shorter tests covering three or four objectives at a time and given soon after those objectives have been covered. A selection of questions from the units covered may be used for final tests at the end of each term if desired. If objectives have been added, deleted, or modified, be sure to make the changes on the test.

The acceptable response on a unit test, 85 percent in most units, may be raised or lowered to fit the topic or students' ability levels. The percentage applies to the overall score, not to each individual question. The final unit grade should be obtained by using the paper/pencil score along with evaluations of students demonstrations of the desired skills.

The tests are in the instructor's book only, but may be photo-copied for classroom use only.

Answers to Test and Assignment Sheets (pink pages)

These components are designed to assist the instructor in evaluation of student performances.

Teaching Methods

It is a challenge to keep students motivated. Supplement the objectives by providing the "why," personal experiences, and current information. Prepare for each unit by deciding how each objective can best be taught. Allow students to become involved in preparing and planning.

Corrections and Suggestions

The Curriculum and Instructional Materials Center wants to provide vocational instructors and students with materials that are accurate and effective. Although the Center strives to maintain the highest standards of development and production, oversights occasionally do occur. If you find any errors in this or other CIMC publications, or have suggestions for improving their usefulness in vocational programs, please notify the CIMC staff. One easy way of pointing out errors is to make a photocopy of the affected pages and to indicate the correction on the copy. You can then mail the information to the CIMC, where it will be used to correct the publication before the materials are reprinted.

To ensure that the material is updated on a timely basis, it is important that you notify the Center of necessary corrections as soon as possible after discovering the error. Do not assume that someone else will notice the error and inform the CIMC; other users may be making the same assumption. Please send corrections and recommendations for improving this publication to the following address:

Curriculum and Instructional Materials Center
Oklahoma State Department of Vocational and
Technical Education
1500 W. Seventh Avenue
Stillwater, Oklahoma 74074

PERSONAL RECORDS
UNIT I

UNIT OBJECTIVE

After completing this unit, the student should be able to organize the important records in his or her life. This knowledge will be shown by completing assignment sheets and unit test with a minimum score of 85 percent.

SPECIFIC OBJECTIVES

After completing this unit, the student should be able to

1. State uses of different storage locations for important records.
2. Match records to their correct purposes for keeping.
3. List records and information that should be carried in purse or wallet.
4. Classify family business papers.
5. Arrange in order the steps in organizing records.
6. Select from a list records that may be affected by a change in marital status.
7. Select from a list facts about safe-deposit boxes.
8. Locate important records.
9. Evaluate organization skills.

PERSONAL RECORDS
UNIT II

SUGGESTED ACTIVITIES

I. Unit contents

A. Objective sheet

B. Suggested activities

C. Information sheet

D. Assignment sheets

1. Assignment Sheet #1 — Locate Important Records

2. Assignment Sheet #2 — Evaluate Organization Skills

E. Answers to assignment sheets

F. Test

G. Answers to test

II. Instructor's guide

A. Obtain materials to supplement unit.

B. Provide students with objective sheet.

C. Discuss unit and specific objectives.

D. Provide students with information and assignment sheets.

1. Introduce unit by reading the following story. Ask the students what this family could do to prevent this situation.

WHERE IS IT?

Everyone at the Johnson house is in a dither. Jess Johnson cannot find his new insurance policy, which was sent to him a few weeks ago. He must have the policy for completing a form at work. Mrs. Johnson is dumping everything out of the wastebasket in an unsuccessful attempt to find the missing policy.

"Why don't you check in the drawers?" suggests Mrs. Johnson, as she begins to go through the things on top of the coffee table.

"Jimmy!" calls Mrs. Johnson. "Will you come help us look for the insurance policy?"

"What does it look like?" asks Jimmy.

"It's in a large white envelope," replies Mrs. Johnson.

"Well, I've found last October's bank statement," says Jess. "I wonder what it was doing there!"

"Is this it?" asks Jimmy.

"Let me see," says Jess. "No, that's not it; but that is the copy of our will that I was looking for the other day. It really should be kept in a safe place."

"And here is your social security card being used as a bookmark, Jess," says Mrs. Johnson. "I wonder how we ever get things scattered all over the house."

2. Have a display of records. Allow the students to discuss whether the records are important, where would be a good place to store the records, and how long records should be kept.

3. Emphasize to students that they have important records that should be kept in a proper place.

E. Discuss information and assignment sheets.

1. When discussing Sections II and III, ask students to put a check beside the records listed that they have. Show examples of records.

2. Emphasize in Section II the importance of proper storage. Have a display of various types of home files such as a small file cabinet, file box or fireproof box. Using an office supply catalog, show students examples of record storage. Help students do Assignment Sheet #1 by listing on the chalkboard records that they might have.

3. Emphasize the importance of each type of record discussed in Section III.

4. When discussing Section IV, assign Assignment Sheet #2 as a home project.

5. Emphasize in Section V the way each record will be affected by a change in marital status.

6. Arrange for a field trip to a bank after discussing Section VI so that students can see a safe-deposit box. Ask an official of the bank to explain the bank's policy for the use of safe-deposit boxes.

F. Develop appropriate learning activities for special needs students.

G. Give test.

H. Reteach and retest if necessary.

III. Unit references

A. Campbell, Sally R. *The Confident Consumer.* South Holland, Illinois: Goodheart-Willcox Company, Inc., 1982.

B. Sellers, Beulah E., Warnke, Roman F., and Eugene D. Wyllie. *Consumer Decision Making.* Dallas, Texas: South-Western Publishing Co., 1977.

PERSONAL RECORDS
UNIT I

INFORMATION SHEET

I. Uses of different storage locations for important records (Assignment Sheet #1)

A. Safe-deposit box — Used for records that would be difficult or impossible to replace

B. File in the home — Used for records that are referred to often or that can be replaced with little bother

C. Purse or wallet — Used for records that are needed when you are away from home, such as those needed for identification

II. Records and purpose for keeping

A. Records kept in safe-deposit box

1. Birth certificates and adoption papers — Provide information needed to prove age and legal custody of minor children

2. Church records — Provide (in most cases) acceptable evidence of birth date when obtaining a birth certificate

3. Citizenship papers — Prove eligibility to vote, to obtain certain jobs, and to obtain passports

(NOTE: Citizenship papers are obtained when one becomes a citizen of another country.)

4. Marriage records — Provide proof of marriage to collect insurance and social security and to settle estates

5. Divorce certificates — Clear legal requirements for remarriage

6. Military records — Show proof of service

(NOTE: These include orders to active duty, commissions, medical treatment or disability, and papers connected with claims for benefits. They include all documents connected with the G.I. Bill for Education.)

7. Property title or deed — Provide proof of ownership and clear title and should be kept until property is sold

8. Abstract of title — Proves clear title for ownership of property

9. Household inventories — Provide information to establish value of goods and for identification of goods needed for insurance claims

10. Copyright and patent certificates — Show ownership of rights

11. Government bond information — Provides information needed for replacement of lost bonds

    (NOTE: Information should include date issued, complete serial number, denomination, and co-owner, if any.)

12. Evidence of debt — Shows amount owed to you or amount you owe

    EXAMPLES: Mortgages, installment contracts, liens, promissory notes

B. Records kept in household file

1. Employment records — Provide information needed to obtain retirement and other job benefits; also aids in completing employment applications

   (NOTE: Proof of spouse's earnings may be necessary for several purposes, including possible estate-tax savings.)

2. Education certificates or diplomas — Give evidence of qualifications for certain work

3. Wills — Aid in the satisfactory settlement of an estate

4. Vehicle titles — Show ownership for borrowing money or selling; must have in order to buy tag

5. Guarantees and warranties — Provide proof that an item is under warranty and that it is guaranteed

6. Health records — Show record of immunizations, accidents, diseases, and illnesses

7. Instruction books — Provide information needed for proper care and use of appliances

   (NOTE: Keep instruction book until appliance is sold or discarded.)

8. Insurance policies — Provide easy access of company's name, policy number, name of person and property insured, kind of insurance, date purchased, expiration date, coverage, and benefits

9. Family business information — Should include how checking and savings accounts are owned and in what banks; where and in whose name the safe-deposit box is held, the number of the box, and the location of the key; a list of names of financial advisors, lawyers, insurance agents, executors of wills, clergymen, doctor(s), and stock broker(s)

10. Bank records — Show proof of payments and deposits

    (NOTE: Canceled checks for utility bills, charge accounts, and other operational expenses need not be kept after the next month's bills come and show payment of previous bills.)

11. Investment information — Provides for easy reference and for tax and estate planning purposes

12. Credit card information — Provides information for reporting stolen or lost cards

    (NOTE: In case of loss or theft, immediately notify the nearest office of the company by telephone or telegraph. Give your name, address, number of card, where and when you think it was lost or stolen, and whether you reported the loss to the police. Follow up with a letter giving the same information.)

13. List of items in safe-deposit box — Provides a quick reference for items stored in safe-deposit box

14. Receipts and receipted bills — Provide proof of payment and amount owed

15. Tax-return information — Provides a record as to amount of taxes paid and amount of return

16. Passport — Allows travel in most foreign countries

III. Records and information that should be carried in purse or wallet

A. Identification

   (NOTE: This information should include your name, address, and telephone number, and information about persons to contact in case of an emergency. Make certain that one of the persons is not likely to be with you.)

B. Medical information

   (NOTE: If you are diabetic, epileptic, or allergic to certain drugs, carry this information with you. Also carry your blood type; your doctor's name, address, and telephone number; and the name of your hospital.)

C. Driver's license

D. Social security card

E. Credit cards

F. Membership cards

INFORMATION SHEET

IV. Family business papers

(NOTE: Paper is used to record the important events in our lives, such as births, deaths, marriages, or the purchase of homes or automobiles. Family papers and evidences of business transactions deserve the best of protection. Papers should be kept for different lengths of time.)

A. Papers to keep in a safe-deposit box

(NOTE: A list of the contents of the safe-deposit box should be in home file.)

1. Abstracts of title and deeds for real estate
2. Adoption papers and birth certificates
3. Baptismal and confirmation certificates

   (NOTE: Church documents of your birth date are necessary when obtaining a delayed birth certificate.)
4. Deeds and mortgages
5. Education certificates

   EXAMPLE: Diplomas
6. Marriage and divorce certificates
7. List of insurance policies
8. Wills (originals)
9. Stocks, bonds, certificates, United States savings bonds
10. Passport
11. Military records
12. Investment records
13. Household inventory
14. Evidences of debt
15. Employment records

INFORMATION SHEET

B. Papers to keep in home file

(NOTE: Most of these papers should be kept at least three years. The last thing to throw away is a valid receipt and/or cancelled check that you may need for proof of payment.)

1. Account books
2. Vehicle titles
3. Bank records

   EXAMPLES: Bank statements, deposit slips
4. Guarantees and warranties
5. Health records
6. Instruction books
7. Insurance policies
8. Income and employment records
9. Household inventory
10. Investment records
11. Licenses to practice profession
12. List of credit cards
13. List of items in safe-deposit boxes
14. Keys
15. Payments due you
16. Receipts
17. Sales slips
18. Tax returns
19. Wills (copies)

INFORMATION SHEET

C. Papers to carry with you

1. Credit cards
2. Driver's license
3. Identification
4. Insurance cards
5. Medical information

   EXAMPLES: Doctor's name, address, telephone number; blood type
6. Membership cards
7. Social security card

V. Steps in organizing records (Assignment Sheet #2)

A. Locate all papers

B. Sort through and throw away unnecessary papers

(NOTE: Be very careful about throwing records away. Keep some indefinitely, others three to six years, some one year, and others until the next statement comes.)

C. Store in a well-organized manner

(NOTE: For at-home storage, the ideal place is in a file cabinet with file folders and dividers.)

D. Tell appropriate others where the records are kept

(NOTE: It is important that someone else know where records are kept. In the event of your death, arrangements must be made. Knowing where certain records are kept can be a big help to the person making those arrangements.)

VI. Records that may be affected by a change in marital status

A. Tax deduction forms

B. Bank accounts

C. Insurance policies

D. Wills

E. Social security

F. Titles and deeds

G. Driver's license

INFORMATION SHEET

VII. Facts about safe-deposit boxes

A. Are rented from bank or other institution

(NOTE: Safe-deposit boxes are normally located in bank vaults. Rent will vary according to institution and to size of box. Sizes can range from 3" × 5" to 10" × 10" and are usually 21 inches long. Vacation boxes are available on a weekly or monthly basis; these are safe-deposit boxes to store valuables while you are away from home for a short length of time.)

B. Provide for storage of valuables that cannot be kept safely in the home or office

EXAMPLE: Safe-deposit boxes provide protection against burglary and fire.

C. Require two keys for opening

(NOTE: A customer who rents a box is given a key to that box, and the bank has a master key. Both keys are necessary to unlock the box; neither one alone will unlock it. A bank cannot open a private safe-deposit box without a court order. In case of a customer's lost key, the bank may in the presence of witnesses and legal representatives of the renter have a locksmith drill the lock to open it. Services of a locksmith are often very expensive.)

D. Will be opened only after renter signs a signature card for each entry

E. Are sealed by the bank in the event of the death of one of the renters

EXAMPLE: If a box is rented by two people and either one of them dies, the bank seals the safe-deposit box.

(NOTE: In some states, including Oklahoma, this is the law. Do not store in a safe-deposit box any records needed for making funeral arrangements.)

PERSONAL RECORDS
UNIT I

ASSIGNMENT SHEET #1 — LOCATE IMPORTANT RECORDS

NAME _____ SCORE _____

As a high school student you have important records. On the day you were born, a very important record was completed: your birth certificate. As you grew older, you acquired other important records such as an immunization record, social security card, and driver's license.

PART I

Organize the important records in your life by completing the following chart.

(NOTE: Give this careful thought. You should be able to think of several important records.)

TYPE OF RECORD	LOCATION
EXAMPLE: Driver's license	Wallet

ASSIGNMENT SHEET #1

PART II

A. Are your records stored properly? _____

B. If not, which ones are not and where should they be stored? _____

_____

_____

_____

_____

_____

_____

_____

PERSONAL RECORDS
UNIT I

ASSIGNMENT SHEET #2 — EVALUATE ORGANIZATION SKILLS

NAME _____ SCORE _____

A normal family handles an average of 1,000 bills, checks, receipts, letters, and other documents a year. Even though most lost papers can be replaced, their replacement may cost time and money, and cause annoyance. Frustration and frantic searches for a needed document can be avoided when family papers and records are in order.

A convenient business center that provides adequate files for papers to be kept at home makes it a simple matter to sort and store the family's records safely, as well as to provide a place where they can be easily found.

Evaluate your organization skills by answering the following questions about your family's records.

	YES	NO
A. Do all members of your family have copies of their birth certificates?	_____	_____
B. Do you have an up-to-date inventory of all household possessions?	_____	_____
C. Do you have a record of your important valuable papers?	_____	_____
D. Do you keep deeds, mortgages, bonds, notes, and other valuable papers in a safe-deposit box or safe place?	_____	_____
E. Do you have a place to keep all guarantees and warranties?	_____	_____
F. Do you have a place to file canceled checks?	_____	_____
G. Do you have identification in your wallet?	_____	_____
H. Do you carefully check bank statements against check stubs and cancelled checks?	_____	_____
I. Do you and other family members have a will?	_____	_____
J. Does someone outside your immediate family know where your valuable papers are kept?	_____	_____
K. Do you know where all the family insurance policies are kept?	_____	_____
L. Can you locate a record of all property owned by the family?	_____	_____

ASSIGNMENT SHEET #2

	YES	NO
M. Could you provide bills, receipts, and records if the Internal Revenue Service audited a tax return?	_____	_____
N. Do you have a safe-deposit box?	_____	_____

O. What action do you think you or your family should take for those questions which you answered "no"?

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

PERSONAL RECORDS
UNIT I

ANSWERS TO ASSIGNMENT SHEETS

Assignment Sheet #1 — Completed to the satisfaction of the instructor

Assignment Sheet #2 — Completed to the satisfaction of the instructor

PERSONAL RECORDS
UNIT I

TEST

NAME _____ SCORE _____

1. State uses of different storage locations for important records.

   a. Safe-deposit box — _____

   _____

   b. File in the home — _____

   _____

   c. Purse or wallet — _____

   _____

2. Match records to their correct purposes for keeping. Write the correct numbers in the blanks.

Records kept in safe-deposit box

_____a. Provide proof of ownership and clear title and should be kept until property is sold

_____b. Provide information needed to prove age and legal custody of minor children

_____c. Provide (in most cases) acceptable evidence of birth date when obtaining a birth certificate

_____d. Prove eligibility to vote, to obtain certain jobs, and to obtain passports

_____e. Show ownership of rights

_____f. Clear legal requirements for remarriage

_____g. Shows amount owed to you or amount you owe

_____h. Provides information needed for replacement of lost bonds

_____i. Provide information to establish value of goods and for identification of goods needed for insurance claims

_____j. Show proof of service

_____k. Provide proof of marriage to collect insurance and social security and to settle estates

_____l. Proves clear title for ownership of property

1. Church records
2. Government bond information
3. Divorce certificates
4. Copyright and patent certificates
5. Military records
6. Evidence of debt
7. Citizenship papers
8. Property title or deed
9. Birth certificates and adoption papers
10. Marriage records
11. Abstract of title
12. Household inventories

TEST

Records kept in household file

_____a. Aid in the satisfactory settlement of an estate

_____b. Show ownership for borrowing money or selling; must have in order to buy tag

_____c. Provides a quick reference for items stored in safe-deposit box

_____d. Show record of immunizations, accidents, diseases, and illnesses

_____e. Provide information needed for proper care and use of appliances

_____f. Provide easy access of company's name, policy number, name of person and property insured, kind of insurance, date purchased, expiration date, coverage, and benefits

_____g. Should include how checking and savings accounts are owned and in what banks; where and in whose name the safe-deposit box is held, the number of the box, and the location of the key; a list of names of financial advisors, lawyers, insurance agents, executors of wills, clergymen, doctor(s), and stock broker(s)

_____h. Show proof of payments and deposits

_____i. Give evidence of qualifications for certain work

_____j. Provides information for reporting stolen or lost cards

_____k. Provide proof that an item is under warranty and that it is guaranteed

_____l. Provide proof of payment and amount owed

_____m. Provides a record as to amount of taxes paid and amount of return

_____n. Allows travel in most foreign countries

_____o. Provide information needed to obtain retirement and other job benefits; also aids in completing employment applications

_____p. Provides for easy reference and for tax and estate planning purposes

1. Tax-return information
2. List of items in safe-deposit box
3. Bank records
4. Insurance policies
5. Credit card information
6. Vehicle titles
7. Wills
8. Investment information
9. Passport
10. Receipts and receipted bills
11. Guarantees and warranties
12. Instruction books
13. Health records
14. Family business information
15. Employment records
16. Education certificates or diplomas

TEST

3. List four records and items of information that should be carried in purse or wallet.

   a. _____

   b. _____

   c. _____

   d. _____

4. Classify business papers. Place an "S" in front of those papers to keep in a safe-deposit box, an "H" for those kept in home file, and a "Y" for those papers carried with you

   _____a. Vehicle titles

   _____b. Adoption papers and birth certificates

   _____c. Medical information

   _____d. Health records

   _____e. List of items in safe-deposit boxes

   _____f. Driver's license

   _____g. Bank records

   _____h. Income and employment records

   _____i. Baptismal and confirmation certificates

   _____j. Identification

5. Arrange in order the steps in organizing records. Write a "1" before the first step, a "2" before the second step, and so on.

   _____a. Sort through and throw away unnecessary papers

   _____b. Tell appropriate others where the records are kept

   _____c. Locate all papers

   _____d. Store in a well-organized manner

6. Select from the following list records that may be affected by a change in marital status. Write an "X" in the blank before each correct answer.

   _____a. Birth certificate

   _____b. Social security

   _____c. Bank accounts

_____d. Job description

_____e. Insurance policies

_____f. Driver's license

_____g. Tax deduction forms

_____h. Gross salary

_____i. Titles and deeds

_____j. Wills

7. Select from the following list facts about safe-deposit boxes. Write an "X" in the blank before each correct answer.

_____a. Require two keys for opening

_____b. Provide for storage of valuables that cannot be kept safely in the home or office

_____c. Have access twenty-four hours a day

_____d. Are rented from bank or other institution

_____e. Are a good place for keeping will

_____f. Are sealed by the bank in the event of the death of one of the renters

_____g. Will be opened only after renter signs a signature card for each entry

_____h. Can be opened only by a spouse in the event of the death of that person's husband or wife

(NOTE: Test questions 8 and 9 list the assignment sheets. They are an important part of this test. If they have not been completed, check with your instructor.)

8. Locate important records.

9. Evaluate organization skills.

PERSONAL RECORDS
UNIT I

ANSWERS TO TEST

(NOTE: It may be helpful to use your blank test to make a test key.)

1. a. Safe-deposit box — Used for records that would be difficult or impossible to replace
   b. File in the home — Used for records that are referred to often or that can be replaced with little bother
   c. Purse or wallet — Used for records that are needed when you are away from home, such as those needed for identification

2. **Records kept in safe-deposit box**

a. 8	e. 4	i. 12
b. 9	f. 3	j. 5
c. 1	g. 6	k. 10
d. 7	h. 2	l. 11

Records kept in household file

a. 7	e. 12	i. 16	m. 1
b. 6	f. 4	j. 5	n. 9
c. 2	g. 14	k. 11	o. 15
d. 13	h. 3	l. 10	p. 8

3. Answer should include any four of the following

   a. Identification
   b. Medical information
   c. Driver's license
   d. Social security card
   e. Credit cards
   f. Membership cards

4.

a. H	f. Y
b. S	g. H
c. Y	h. H
d. H	i. S
e. H	j. Y

5. a. 2
   b. 4
   c. 1
   d. 3

6. b, c, e, f, g, i, j

ANSWERS TO TEST

7. a, b, d, f, g

8. Completed to the satisfaction of the instructor

9. Completed to the satisfaction of the instructor

RISK MANAGEMENT
UNIT II

UNIT OBJECTIVE

After completing this unit, the student should be able to apply knowledge of insurance and evaluate family's insurance coverage. This knowledge will be shown by completing assignment sheets and unit test with a minimum score of 85 percent.

SPECIFIC OBJECTIVES

After completing this unit, the student should be able to

1. Define risk management.
2. Match terms associated with risk management to their correct definitions.
3. State reasons insurance is important.
4. Match types of insurance coverage to their correct descriptions.
5. Select from a list points to remember when buying insurance.
6. List sources for obtaining insurance.
7. Select from a list factors to check when selecting an insurance company.
8. Select from a list questions to consider when selecting an insurance agent.
9. Describe responsibilities of the insurance agent to the consumer.
10. Arrange in order steps in filing an insurance claim.
11. Respond to situations concerning insurance.
12. Evaluate family's insurance coverage.
13. Compare services offered by local insurance agencies.

RISK MANAGEMENT
UNIT II

SUGGESTED ACTIVITIES

I. Unit contents

A. Objective sheet

B. Suggested activities

C. Information sheet

D. Assignment sheets

1. Assignment Sheet #1 — Respond to Situations Concerning Insurance

2. Assignment Sheet #2 — Evaluate Family's Insurance Coverage

3. Assignment Sheet #3 — Compare Services Offered by Local Insurance Agencies

E. Answers to assignment sheets

F. Test

G. Answers to test

II. Instructor's guide

A. Obtain materials planned to supplement unit — Teaching Kit — *Insurance.* Available from Now Corporation, 2 Dry Ridge Place, P.O. Box 1366, St. Albans, West Virginia 25177.

B. Provide students with objective sheet.

C. Discuss specific and unit objectives by introducing students to concept and definition of risk management in Information Sheet, Section I.

D. Provide students with information and assignment sheets.

E. Discuss information and assignment sheets.

1. Focus on the economic decisions related to insurance in our society; combine use of Information Sheet, Sections III, IV, V, VI, and VII; and use Assignment Sheet #1.

- Invite a panel of home owners to explain their reasons for purchasing insurance, types of coverage they feel are necessary, things they keep in mind while buying insurance, and what they check when selecting an insurance company and agent.

2. Emphasize the responsibilities of the insurance agent to the consumer and vice versa; use Information Sheet, Sections VIII and IX.

   - Invite an insurance agent to discuss interrelationship of responsibilities of consumer and agents; ask agents to point out how to shop for insurance.
   - Arrange a field trip to an insurance agency where representative can point out agents' responsibilities to consumers.

3. Emphasize the importance of comparison shopping before selecting insurance, insurance company, or insurance agent; review Information Sheet, Sections IV, V, VI, VII, and VIII; and use Assignment Sheet #3.

   - Provide students with telephone books to assist in their investigations.
   - Divide students into groups and make assignments for personal or phone interviews.

4. Encourage students to investigate their personal involvement in risk management; use Assignment Sheet #2.

   - Student can work with family insurance coverage.
   - Student can work with personal insurance coverage.
   - Student can combine evaluation of personal and family coverage and use Assignment Sheet #2 as home experience.

F. Develop appropriate learning activities for special needs students.

G. Give test.

H. Reteach if necessary.

III. Unit references

A. Boardman, Charles C., et al. *Consumer Education.* Encino, California: Glencoe Publishing Co., Inc., 1979.

B. Oppenheim, Irene. *Consumer Skills.* Peoria, Illinois: Bennett Publishing Company, 1982.

C. Wish, John R., Donald G. Steely, and Stephen E. Tritten. *The Consumer: The Art of Buying Wisely.* Englewood Cliffs, New Jersey: Prentice-Hall, Inc., 1978.

RISK MANAGEMENT
UNIT II

INFORMATION SHEET

I. Risk management — Arrangement of resources to protect against the consequences of unexpected loss

(NOTE: Insurance is designed to protect persons and organizations against the financial burden of various kinds of risks.)

II. Terms and definitions

A. Risk — Unfavorable occurrence that can be assigned reasonably accurate odds on chances of its happening

(NOTE: When applied to a large number of cases, the prediction may be accurate enough that an insurance program can be set up to cover the risk.)

B. Insurance — Protection against financial loss

C. Insured — Person buying insurance or for whom insurance is bought

D. Insurer — Company that insures against risk

E. Insurance agent — An insurance company representative who sells various types of insurance

F. Insurance policy — Written agreement between the consumer and the insurance company to provide specified coverage

G. Claim — Request for payment of losses

H. Claims adjuster — Person responsible for deciding how much is to be paid in settlement

I. Coverage — Risks for which policy will pay; maximum dollar amount that the insurer will pay to settle a claim

J. Liable — Responsible according to law

K. Premium — Payment to the insurance company for its services

(NOTE: Premium may be paid once, twice, or several times a year, depending on the policy.)

INFORMATION SHEET

L. Deductible — An initial payment made by the consumer for damage before the insurance company will pay what is agreed upon in the policy

EXAMPLE: The car owner agrees to pay the first $50 or $100, the deductible amount determined in the policy, of damage to owner's car in any one collision; and then the insuring company agrees to pay the remaining amount.

(NOTE: The larger the deductible, the smaller the insurance premium.)

M. Settlement — Amount decided upon as proper for bringing an end to a claim

III. Reasons insurance is important

A. Protects you and your family financially and lessens the hardship of unexpected economic loss

EXAMPLE: Provides financial coverage for damage from fire, flood, or tornado.

B. Meets your obligation to others who might suffer injury or loss because of something you did

EXAMPLE: Pays for damage to the other person's car when you run a stop sign and hit a car.

C. Makes it possible for people to take certain risks they otherwise could not take

EXAMPLE: You might want to buy a $70,000 house but have only the $20,000 down payment. You may be able to borrow the remaining $50,000 on the condition that you take out an insurance policy that will pay the lending agency the remaining balance in the event of your death.

IV. Types of insurance coverage

A. Life insurance — Helps protect a person and his or her family against loss of income because of the death of the insured

B. Accident and health insurance — Helps protect a person against the expenses arising from illness and accident and against loss of income because of illness and/or accident

C. Property insurance — Gives protection of financial loss if property is damaged, destroyed, or stolen

D. Liability insurance — Helps protect against lawsuits in which the insured causes personal injury or property damage

INFORMATION SHEET

V. Points to remember when buying insurance

A. Insure against those losses that may lead to financial disaster

B. Insure irreplaceable or most necessary property first

C. Never insure anything you can afford to replace yourself without undue stress

D. Be sure that coverage is adequate

(NOTE: Property such as housing usually goes up in value. Insurance coverage that was bought five years ago may not be adequate to replace the property at today's costs.)

E. Buy types of insurance that provide coverage for situations in which you are likely to have a claim

EXAMPLES: Flood insurance if you live in a low-lying area near water; liability insurance if you are in a high-risk service profession such as a medical field

VI. Sources for obtaining insurance

A. Insurance trust through your place of work

B. Independent agent

(NOTE: An independent insurance agent represents many companies.)

C. Company agent

(NOTE: A company agent represents only one company.)

D. Mail-order brochures

VII. Factors to check when selecting an insurance company

(NOTE: Ask friends and relatives, local business people, lawyers, or bankers for information to assist you in selecting an insurance company.)

A. Company's reputation

B. Premium rates for the same kind of protection at different companies

C. Financial strength of company

(NOTE: Get a copy of their latest annual report from the agent or home office.)

D. Possession of state license by company

(NOTE: Your state insurance commission can tell you if a company has a state license and can answer other questions you may have about insurance. You can contact your state insurance commission by writing the commission at your state's capital.)

INFORMATION SHEET

E. Availability of nationwide claim-service network

F. Promptness of claim settlement

VIII. Questions to consider when selecting an insurance agent

A. Is the agent reliable?

(NOTE: Check with friends and neighbors to get their opinions.)

B. How good are the agent's services?

(NOTE: Ask others who have dealt with the agent.)

C. Will agent talk about prices fairly and clearly with you?

D. Does agent seem to be interested in you and your needs or just in selling the policy?

IX. Responsibilities of the insurance agent to the consumer

(NOTE: The insurance agent is not to recommend any certain amount of coverage for a consumer. The agent is to present to the consumer the amounts of coverage available and let the consumer decide on the amount of coverage needed.)

A. To assist consumer in purchasing the best coverage for his or her needs

B. To notify consumer when insurance policy premiums are due

C. To notify claims adjuster when there is a claim

(NOTE: Insurance agent is also responsible for following up the notification of adjuster if consumer is not contacted by the adjuster in a reasonable length of time. A reasonable length of time should be no longer than five days.)

X. Steps in filing an insurance claim

A. Obtain information necessary to file claim

EXAMPLE: After an auto accident, write down the other driver's name and other personal information and the name of that driver's insurance company.

B. Contact insurance agent

C. Give agent circumstances of loss

(NOTE: This might include filling out a form and giving circumstances of how the loss occurred.)

RISK MANAGEMENT
UNIT II

ASSIGNMENT SHEET #1 — RESPOND TO SITUATIONS CONCERNING INSURANCE

NAME _____ SCORE _____

Insurance provides money to lessen the hardship caused by loss. Although we all hope that we will never have an accident, fire, illness, or theft, chances are that most of us will suffer from one of these occurrences at some time.

Respond to the following situations concerning the needs for insurance.

A. April Jordan made the statement that people should not spend money on insurance of any kind. They should put the money that they would be spending on insurance into a savings account and let the money draw interest. Then if there is an emergency, the money will be in the savings account and ready for use.

1. Do you agree or disagree with April? _____

2. Give your reasons. _____

_____

_____

_____

_____

B. Blake Thomas made the statement that he was a good driver and very healthy and would not be getting sick or in an accident. Therefore, he saw no reason to waste his money on insurance.

1. Do you think Blake is thinking very clearly? _____

2. Give your reasons why or why not. _____

_____

_____

_____

_____

ASSIGNMENT SHEET #1

C. Chad Martin made the statement that insurance costs too much and gives the consumer too little for his or her money. He feels that policyholders should get their money back at the end of the year if they have not filed a claim.

1. Do you agree or disagree? _____

2. Give your reasons. _____

_____

_____

_____

_____

3. Was Chad's statement fair to the insurance company? _____

4. Why? _____

_____

D. Debi Moore bought a house in 1973, paying $28,000 for it. She bought insurance for the house with coverage of $28,000. Since this time, she has not increased her coverage.

1. Do you think Debi has a problem? _____

2. If so, what should she do to solve her problem?

_____

_____

_____

_____

_____

RISK MANAGEMENT
UNIT II

ASSIGNMENT SHEET #2 — EVALUATE FAMILY'S INSURANCE COVERAGE

NAME _____ SCORE _____

If your insurance coverage is not adequate, a major catastrophe might easily cause you to lose everything. On the other hand, carrying larger amounts of insurance than is necessary can be costly.

It is impractical to insure against all possible risks. You must carefully study your situation and determine which risks are most serious.

Evaluate insurance coverage, using the following chart as a guide.

ASSIGNMENT SHEET #2

Type of Insurance	Name of Insurance Company	Insurance Agent's Name	Policy Number	Where Policy Is Kept	Adequacy of Coverage
EXAMPLE: Property—Home	Farmers Union	Jim Brown	XB0172221784	Insurance file in kitchen cabinet	Covers only 70 percent of the structure and content

RISK MANAGEMENT
UNIT II

ASSIGNMENT SHEET #3 — COMPARE SERVICES OFFERED
BY LOCAL INSURANCE AGENCIES

NAME _____ SCORE _____

Insurance is like everything else that you purchase; there are as many prices as there are companies. It is important to shop around for the best deal. Different companies offer different kinds of insurance. You need to select an insurance agent that will offer you the best price available for the kinds of insurance that you need.

Using the yellow pages from your local phone book, gather information about local insurance agencies. The following chart might be helpful.

Agent's Name and Address	Phone Number	Types of Insurance Available
EXAMPLE: Randall Weir 1400 Main Northfield, Minn. 00022	555-777-0001	Life, property, and health

RISK MANAGEMENT
UNIT II

ANSWERS TO ASSIGNMENT SHEETS

Assignment Sheet #1 — Completed to the satisfaction of the instructor

The following are suggested answers.

A. 1. Disagree

2. One accident or disaster such as a fire can completely destroy all of one's possessions. The amount saved by not paying premiums, including the interest, would not go very far in replacing one's home, car, or other losses.

B. 1. No

2. There is never any guarantee that someone will not have an accident or become ill.

C. 1. Disagree

2. Insurance companies must have the money collected from premiums to pay the claims. In most cases one claim will amount to more than a person pays in premiums for a year.

3. No

4. Insurance companies render a service for the fee charged

D. 1. Yes

2. She should increase the amount of coverage because the value of the house is much more than the $28,000 that she paid for it in 1973.

Assignment Sheet #2 — Completed to the satisfaction of the instructor

Assignment Sheet #3 — Completed to the satisfaction of the instructor

RISK MANAGEMENT
UNIT II

TEST

NAME _____ SCORE _____

1. Define risk management.

_____

_____

2. Match terms associated with risk management to their correct definitions. Write the correct numbers in the blanks.

_____a. Request for payment of losses

_____b. Responsible according to law

_____c. An insurance company representative who sells various types of insurance

_____d. Amount decided upon as proper for bringing an end to a claim

_____e. Protection against financial loss

_____f. Person responsible for deciding how much is to be paid in settlement

_____g. Risks for which policy will pay; maximum dollar amount that the insurer will pay to settle a claim

_____h. Unfavorable occurrence that can be assigned reasonably accurate odds on chances of its happening

_____i. An initial payment made by the consumer for damage before the insurance company will pay what is agreed upon in the policy

_____j. Written agreement between the consumer and the insurance company to provide specified coverage

_____k. Company that insures against risk

_____l. Payment to the insurance company for its services

_____m. Person buying insurance or for whom insurance is bought

1. Claim
2. Deductible
3. Insurance
4. Insurance policy
5. Claims adjuster
6. Insured
7. Premium
8. Settlement
9. Insurance agent
10. Coverage
11. Insurer
12. Risk
13. Liable

TEST

3. State two reasons insurance is important.

   a. _____

   _____

   b. _____

   _____

4. Match types of insurance coverage to their correct descriptions. Write the correct numbers in the blanks.

   _____a. Helps protect a person and his or her family against loss of income because of the death of the insured

   _____b. Helps protect against lawsuits in which the insured causes personal injury or property damage

   _____c. Gives protection of financial loss if property is damaged, destroyed, or stolen

   _____d. Helps protect a person against the expenses arising from illness and accident and against loss of income because of illness and/or accident

   1. Property insurance
   2. Life insurance
   3. Liability insurance
   4. Accident and health insurance

5. Select from the following list points to remember when buying insurance. Write an "X" in the blank before each correct answer.

   _____a. Never insure anything you can afford to replace yourself without undue stress

   _____b. Always buy the lowest-priced policy

   _____c. Insure irreplaceable or most necessary property first

   _____d. Buy types of insurance that provide coverage for situations in which you are likely to have a claim

   _____e. Buy all of your insurance from one company

   _____f. Be sure that coverage is adequate

   _____g. Insure against those losses that may lead to financial disaster

TEST

6. List sources for obtaining insurance.

   a. _____

   b. _____

   c. _____

   d. _____

7. Select from the following list factors to check when selecting an insurance company. Write an "X" in the blank before each correct answer.

   _____a. Number of agents that a company has

   _____b. Company's reputation

   _____c. Promptness of claim settlement

   _____d. Financial strength of company

   _____e. Age of employees at the company

   _____f. Possession of state license by company

   _____g. Premium rates for the same kind of protection at different companies

   _____h. Quality of the office furnishings

   _____i. Availability of nationwide claim-service network

8. Select from the following list questions to consider when selecting an insurance agent. Write an "X" in the blank before each correct answer.

   _____a. What church does the agent attend?

   _____b. Will agent talk about prices fairly and clearly with you?

   _____c. How good are the agent's services?

   _____d. What sports does agent like best?

   _____e. Is the agent reliable?

   _____f. Is agent male or female?

   _____g. Does agent seem to be interested in you and your needs or just in selling the policy?

   _____h. What is the agent's age?

TEST

9. Describe responsibilities of the insurance agent to the consumer.

_____

_____

_____

_____

10. Arrange in order steps in filing an insurance claim. Write a "1" before the first step, a "2" before the second step, and so on.

_____a. Contact insurance agent

_____b. Give agent circumstances of loss

_____c. Obtain information necessary to file claim

(NOTE: Test questions 11-13 list the assignment sheets. They are an important part of this test. If they have not been completed, check with your instructor.)

11. Respond to situations concerning insurance.

12. Evaluate family's insurance coverage.

13. Compare services offered by local insurance agencies.

RISK MANAGEMENT
UNIT II

ANSWERS TO TEST

(NOTE: It may be helpful to use your blank test to make a test key.)

1. Arrangement of resources to protect against the consequences of unexpected loss

2. a. 1
   b. 13
   c. 9
   d. 8
   e. 3
   f. 5
   g. 10
   h. 12
   i. 2
   j. 4
   k. 11
   l. 7
   m. 6

3. Answer should include any two of the following

   a. Protects you and your family financially and lessens the hardship of unexpected economic loss
   b. Meets your obligation to others who might suffer injury or loss because of something you did
   c. Makes it possible for people to take certain risks they otherwise could not take

4. a. 2
   b. 3
   c. 1
   d. 4

5. a, c, d, f, g

6. a. Insurance trust through your place of work
   b. Independent agent
   c. Company agent
   d. Mail-order brochures

7. b, c, d, f, g, i

8. b, c, e, g

ANSWERS TO TEST

9. Description should include the following

   a. To assist consumer in purchasing the best coverage for his or her needs
   b. To notify consumer when insurance policy premiums are due
   c. To notify claims adjuster when there is a claim

10. a. 2
    b. 3
    c. 1

11. Completed to the satisfaction of the instructor

12. Completed to the satisfaction of the instructor

13. Completed to the satisfaction of the instructor

HEALTH INSURANCE
UNIT III

UNIT OBJECTIVE

After completing this unit, the student should be able to match types of health insurance coverage to their descriptions and obtain information from a health insurance policy. This knowledge will be shown by completing assignment sheets and unit test with a minimum score of 85 percent.

SPECIFIC OBJECTIVES

After completing this unit, the student should be able to

1. Match terms associated with health insurance to their correct definitions.
2. Select from a list factors that contribute to rising health care costs.
3. Select from a list factors that affect cost of health insurance.
4. Select from a list health insurance factors to consider when shopping for health insurance.
5. State general rules for adequate health insurance coverage.
6. Match types of government-sponsored health insurance programs to their correct descriptions.
7. Select from a list facts about group and individual insurance polices.
8. List types of health insurance coverage according to their descriptions.
9. List insurance information needed by hospital to admit patient.
10. Describe methods insurance companies use to pay benefits.
11. State three qualifications for a health care professional.
12. Select from a list questions to ask a doctor.
13. State facts about health maintenance organizations.
14. Define workers' compensation.
15. Select features of workers' compensation.
16. Answer questions about health care cost.

OBJECTIVE SHEET

17. Estimate health care cost.
18. Recommend insurance for certain situations.
19. Obtain information from a health insurance policy.
20. Provide information for a hospital admission sheet.

HEALTH INSURANCE
UNIT III

SUGGESTED ACTIVITIES

I. Unit contents

A. Objective sheet

B. Suggested activities

C. Information sheet

D. Assignment sheets

1. Assignment Sheet #1 — Answer Questions About Health Care Cost

2. Assignment Sheet #2 — Estimate Health Care Cost

3. Assignment Sheet #3 — Recommend Insurance for Certain Situations

4. Assignment Sheet #4 — Obtain Information from a Health Insurance Policy

5. Assignment Sheet #5 — Provide Information for a Hospital Admission Sheet

E. Answers to assignment sheets

F. Test

G. Answers to test

II. Instructor's guide

A. Obtain materials to supplement unit.

1. Order educational materials from American Council of Life Insurance.

(NOTE: The address is American Council of Life Insurance, 1850 K. St., NW, Washington, DC 20006.)

2. Collect copies of health insurance policies so that students can complete Assignment Sheets #4 and #5.

B. Provide students with objective sheet.

C. Discuss unit and specific objectives.

D. Provide students with information and assignment sheets.

SUGGESTED ACTIVITIES

E. Discuss information and assignment sheets.

1. Emphasize that rising health care costs make it an almost absolute necessity for average consumers to protect themselves against financial burden of health care costs; point out that even though insurance is expensive, most people cannot afford to be without it. Use Information Sheet, Section II and Assignment Sheet #1.

   - Post collected news articles daily during unit to stress that health care costs affect individuals, companies, and government agencies.

2. Introduce basic health insurance information and discuss how it can benefit consumers in the insurance marketplace; use Information Sheet, Sections III, IV, V, VI, and VII and Assignment Sheets #2 and #3.

   - Make copies of Information Sheet and invite agent who handles health insurance to emphasize how informed shoppers for health insurance can best benefit from coverage.

   - Collect insurance information brochures from area agents to show students how insurance information is presented by the industry.

   - Ask students (before they complete Assignment Sheet #2) to estimate what medical costs were when they were born. If possible, provide comparative information.

   - Emphasize to students that the statements for medical costs come from various places such as doctors, hospital, laboratory. Getting insurance payments can become a lengthy process, so prompt action is required when statements arrive.

   - Have students complete Assignment Sheets #2 and #3 to reinforce basic health insurance information.

   - Invite a hospital insurance representative to point out the role government-sponsored health insurance programs play in local health care.

3. Emphasize that hospital entry can be less stressful and payment of benefits more smooth if insurance information is readily available upon patient's initial admission; use Information Sheet, Sections VIII and IX and Assignment Sheet #4.

   - Invite a hospital admissions clerk to discuss procedures used in local hospital for admissions and insurance benefit payments. Also, ask clerk about policy regarding refusal to admit certain patients. Arrange for study tour to hospital admissions area where hospital admissions clerk demonstrates admission procedures.

4. Emphasize patient's responsibility in health insurance coverage as related

to selection of health care professionals and usage of prescription drugs; use Information Sheet, Sections X and XI.

5. Introduce alternative to health insurance: health maintenance organizations; use Information Sheet, Section XII.

   - Point out availability of health maintenance organizations in your area.
   - Arrange study tour of health maintenance organization in local area.

F. Develop appropriate learning activities for special needs students.

G. Give test.

H. Reteach and retest if necessary.

III. Unit references

A. Boardman, Charles C., et al. *Consumer Education.* Encino, California: Glencoe Publishing Co., Inc. 1979.

B. Campbell, Sally R. *The Confident Consumer*, rev. ed South Holland, Illinois: Goodheart-Willcox Company, Inc. 1984.

C. Oppenheim, Irene. *Consumer Skills.* Peoria, Illinois: Bennett Publishing Company, 1982.

D. *Protecting Your Future.* New York: Education Services, Institute of Life Insurance, Health Insurance, n.d.

HEALTH INSURANCE
UNIT III

INFORMATION SHEET

I. Terms and definitions

A. Policyholder — Person who owns the insurance policy

B. Coinsurance — System of insurance whereby the insurance company will pay only a percentage of the remainder of the bill after the insured has paid the deductible

(NOTE: Major medical policies usually pay 75 to 80 percent of the bill, and the insured pays the rest. Try to find insurance arrangements that state after the insured has paid a certain amount, then the insurance company pays 100 percent of the remainder of the expenses that are covered in the policy.)

C. Fringe benefits — Payment made to an employee other than wages or salary

D. Affiliation — Specific connection with an organization

E. Generic drug — Common form of a drug; usually costs less than a similar brand-name drug

II. Factors that contribute to rising health care costs

(NOTE: Rising health care costs have made it necessary for most Americans to rely on health insurance.)

A. Inflation

B. Greater demand for health services

C. Medical techniques and procedures

D. Abuse of insurance

(NOTE: Abuse of insurance results in premium increases for all consumers.)

III. Factors that affect cost of health insurance (Assignment Sheets #2 and #3)

A. Type(s) of health insurance selected

EXAMPLES: Hospitalization, major medical, dental

INFORMATION SHEET

B. Type of policy

EXAMPLES: Group and individual

C. Age of insured

D. Sex of insured

E. Physical condition of the insured

(NOTE: Most health insurance forms now have questions about AIDS. Any history of AIDS automatically excludes a person from health insurance coverage. In other words, companies will not insure persons who have AIDS or test positive as AIDS carriers. Once a person has been diagnosed as having AIDS, she or he lives only an average of two years and creates medical bills averaging $350,000.00.)

F. Medical history of the insured

G. Occupation of the insured

H. Medical care cost in the local area

IV. Health insurance factors

A. Patchwork of separate policies and companies is likely to duplicate coverages and to cost more

B. Group plans can often be less expensive

(NOTE: Keep health insurance benefits in mind when job-hunting.)

C. Some policies cover only major hospital expenses

D. Some policies provide regular income for the disabled.

V. General rules for adequate health insurance coverage (Assignment Sheets #2 and #3)

A. Insure against major medical expenses

(NOTE: It is usually more expensive to insure against routine or predictable expenses.)

B. Consider the advantages of group and individual policies

C. Buy across-the-board coverage

(NOTE: Some policies cover only specifically named accidents or diseases.)

INFORMATION SHEET

VI. Descriptions of types of government-sponsored health insurance programs (Assignment Sheet #3)

A. Worker's compensation — Provides state-funded benefits for employees' injuries or illnesses resulting from their jobs

(NOTE: If an employee is killed on the job, benefits are paid to his or her beneficiary.)

B. Medicaid — Pays the medical expenses for needy people of all ages with state and federal funds

(NOTE: Plans are drawn up by the state and financed with state funds matched by federal funds. As a result, various state plans differ as to who is covered and what they will receive.)

C. Medicare — Provides medical benefits to the aged through the Social Security system

(NOTE: Medicare covers almost all those age sixty-five or older and those who have received social security benefits for disability for two consecutive years or more.)

VII. Facts about group and individual insurance policies (Assignment Sheets #1 and #3)

A. Group

1. Provide coverage at comparatively low costs

2. Are often available through place of work

(NOTE: Many times health insurance is a fringe benefit offered by an employer.)

3. May offer limited coverage; is difficult to tailor to individual needs

(NOTE: If a group plan does not offer enough coverage for your needs, purchase additional coverage.)

B. Individual

1. Offer protection for those not eligible for membership-type policies

2. Can be specifically tailored to meet personal needs

3. Can provide continued coverage between jobs

VIII. Types of health insurance coverage (Assignment sheets #2 and #3)

(NOTE: These types of health insurance can be bought separately but are usually sold on a package basis.)

INFORMATION SHEET

A. Hospitalization — Provides benefits to cover some or all of the cost of room, board, and other in-hospital services

EXAMPLES: Room accommodations, food service, routine nursing care, minor medical supplies

(NOTE: A specific amount is allowed for each day in the hospital up to a limited number of days. In-hospital service can include the use of the operating room, anesthesia, laboratory fees, drugs, dressings, and X-rays. The bill for supplies might be less if a patient does not accept a supply item such as a box of tissues.)

B. Surgical — Pays all or part of a surgeon's fees for an operation

(NOTE: Fees for office calls made before and after the operation may be included.)

C. Regular medical expense — Usually covers doctor's fees for nonsurgical care in a hospital, at home, or at the doctor's office

(NOTE: This type of insurance is sometimes called general insurance. The policy specifies the amount that is payable and number of calls with a maximum number of calls or days as stated in the policy.)

D. Major medical — Provides protection against the cost that results from serious accidents or prolonged illness

(NOTE: Most major medical plans are designed to pick up medical expenses at the point where basic plans such as hospital payments and surgical cost stops. A common feature is for major medical insurance plans to have both deductible and coinsurance features.)

E. Dental — Usually covers normal dental care, preventive dental care, and tooth damage caused by accidents

F. Accident — Provides payment for medical expenses that result from accidents

G. Loss of income — Pays benefits with regular payments to wage earners when their income is cut off as a result of an illness or accident

IX. Insurance information needed by hospital to admit patient (Assignment Sheet #5)

(NOTE: If a patient is brought into the emergency room and is unable to give this information, it will be obtained from relatives.)

INFORMATION SHEET

A. Name and address of insurance company

B. Policy number

C. Policyholder's name

D. Claim form

(NOTE: Some patients will bring their own form, or the patient can sign the hospital's standard form. After treatment, the hospital will file the claim with the insurance company.)

X. Methods insurance companies use to pay benefits (Assignment Sheets #1 and #4)

A. Indemnity basis — Insurance company pays a set amount

EXAMPLE: The cost of the hospital room may be $105 a day, but the insurance company pays only $95. The insured has to pay the rest.

B. Service benefits — Insurance company pays the hospital directly for a type of service specified in the policy

EXAMPLE: The insurance company agrees to pay for a semiprivate room. If the insured does not use anything more expensive, the insurance company pays the hospital directly and the insured pays nothing for the room.

XI. Qualifications for a health care professional

(NOTE: Most health insurance policies allow coverage for only those services provided by qualified health care professionals. It is the consumer's responsibility to seek medical care from recognized professionals.)

A. Graduation from an approved school

B. License to practice in your state

C. Acceptance as a member of professional societies and associations

EXAMPLE: American Medical Association

D. Affiliation with a local hospital

E. Established good reputation among patients and other professionals

XII. Questions to ask a doctor (Assignment Sheet #1)

(NOTE: Although health insurance coverage can include prescription drugs, testing, treatment, hospitalization, and surgery, it rarely covers their total cost. Wise consumers can protect themselves from unnecessary medical expenses by asking their physician key questions.)

A. Drugs

INFORMATION SHEET

1. What is in the drug?

   (NOTE: Some people have reactions to certain drugs.)

2. Is the drug really necessary?

3. Can a generic drug be substituted?

   (NOTE: Use of generic drugs, which usually do not cost as much as brand-name drugs, can help keep down medical costs.)

4. What does the drug do?

5. How much of the drug should be taken?

6. What time of day should the drug be taken and for how many days?

7. Will there be any side effects from the drug?

B. Diagnosis and treatment procedures

(NOTE: Questions about diagnosis and treatment procedures concern testing, treatment, hospitalization, and surgery.)

1. Is the procedure really necessary?

2. What is the purpose of the procedure?

3. What does the procedure involve?

4. Can this procedure be done on an out-patient basis, or is hospitalization necessary?

   (NOTE: If hospitalization is necessary, one should ask about length of stay and type of room.)

5. Will there be any side effects?

6. Will there be need for a recuperation period?

XIII. Facts about health maintenance organizations

(NOTE: Health maintenance organizations offer an alternative to health insurance. Before joining a health maintenance organization, find out what services it offers and what facilities are associated with it. Check the qualifications of the health care professionals. Ask about fees and what they include. Then compare the cost and services of the health care and health insurances coverages. Choose the plan that will be best for you and your family.)

A. Provide health services rather than benefits for medical services

B. Are usually provided through an employment group plan

INFORMATION SHEET

C. Are usually paid for by the employer or employee by paying a lump sum or monthly fee

(NOTE: The fee usually covers the cost of many hospitals and medical services. Then if the insured becomes ill, he or she goes to a doctor who is associated with the health maintenance organization to receive the health care that is needed at no additional cost.)

XIV. Worker's compensation—Health insurance provided by each state

XV. Features of workers' compensation

A. Is in effect in all states

B. Employer must insure employees

(NOTE: This applies usually to firms with four or more full-time employees.)

C. Covers injury on the job

D. Covers illness as result of job

E. Pays percentage of earnings

F. Pays accidental death benefits

HEALTH INSURANCE
UNIT III

ASSIGNMENT SHEET #1 — ANSWER QUESTIONS ABOUT HEALTH CARE COST

NAME _____ SCORE _____

As health care costs continue to climb, you may spend a sizable amount of your income just to stay healthy. In spite of high prices, there are ways to keep health costs down. The following tips may be helpful.

- Find out what free or low-cost health services are available to you through your employer or union health programs, community programs, and government programs.
- Protect yourself against major medical cost by having adequate health insurance.
- Know exactly what expenses your health insurance covers, and file claims promptly for all covered expenses.
- Minimize hospital costs by asking for out-patient care if possible.
- Get a second opinion from another physician or specialist before agreeing to nonemergency surgery.

Read the following case studies and answer the questions that follow.

A. Vicki Reed was in the hospital for sixteen days. The hospital room cost $100.00 per day. Her insurance company would pay only $95.00 per day, leaving Vicki with a bill of $80.00 that she must pay herself.

Which method of payment did Vicki's insurance company use? _____

_____

B. Tara Graham was in the hospital for fourteen days and stayed in a semi-private room. Her insurance company paid the entire bill.

Which method of payment did Tara's insurance company use? _____

_____

ASSIGNMENT SHEET #1

C. Renna Blaker had an appointment with a doctor. The doctor wrote a prescription for some medicine for Renna. Renna asked the doctor if she would prescribe generic drugs.

Why do you think Renna wanted the generic drug instead of the brand-name drug?

_____

_____

Why did Renna not ask the pharmacist to make the substitution?

_____

_____

D. Opal Carey was trying to decide between getting group insurance where she worked or an individual policy from the local insurance agent.

Help her decide, and give your reason for your advice._____

_____

_____

_____

_____

HEALTH INSURANCE
UNIT III

ASSIGNMENT SHEET #2 — ESTIMATE HEALTH CARE COST

NAME _____ SCORE _____

The cost of health care, like almost everything else, has risen dramatically in the past two decades. For just a few days' stay in a hospital, the cost can be several thousand dollars, depending on the treatment. This is why health insurance is so important.

The bill below shows the hospital costs of having a baby in 1974 in a medium-size hospital.

Estimate the cost of health care in your community by recording your estimates in Column A and record the actual cost in Column B. Obtain figures for Column B by interviewing someone knowledgeable about the cost of health care. This could be a doctor, nurse, or person in charge of billing in a hospital or doctor's office.

5/30/74

Lone Elm Hospital
110 Hickory Nut Ridge
Rockford, Oklahoma 74623

Lois Patterson — NAME
884722 — POLICY NUMBER

May 1 to May 5 — SERVICE FROM

	day	rate per day		COLUMN A today's cost (your estimate)	COLUMN B today's actual cost
hospital room	5	76.50	382.50	$_____	$_____
care of newborn	5	48.00	240.00	$_____	$_____
routine service			12.00	$_____	$_____
delivery room			140.00	$_____	$_____
anesthesia			50.00	$_____	$_____
total			$824.50	$_____	$_____

ASSIGNMENT SHEET #2

A. How much did you overestimate or underestimate the actual cost for hospitalization?

_____

B. Were you surprised at the cost?_____

Explain your answer._____

_____

_____

C. Do you see the need for health insurance?_____

Explain you answer._____

_____

_____

D. Since health care is so expensive, it is very important for you to do all you can to stay healthy. What steps do you take to stay healthy?_____

_____

_____

_____

_____

HEALTH INSURANCE
UNIT III

ASSIGNMENT SHEET #3 — RECOMMEND INSURANCE FOR CERTAIN SITUATIONS

NAME _____ SCORE _____

Because of the high cost of health care, insurance is a must. Most Americans today are covered by group health insurance provided through their employers or unions at a reasonable cost. The employer may pay part or all of the cost of this insurance for employees and their dependents. Coverage usually ends after a specified period when the employee leaves his or her job.

To further supplement individual needs and to cover those not in a group plan, insurance organizations offer many types of individual or family health policies. Those who want to carry out sound financial planning should have a clear idea of what health care coverage they have and what coverage is available to meet the costs of health emergencies.

Recommend a type or types of insurance for the following situations.

A. Diane Harrell has hepatitis. She spent only a short time in the hospital, but the doctor told her she should stay home from work to rest and recover for about eight weeks. She has only seven days of sick leave.

Diane's insurance covered the medical costs. What additional type of insurance should Diane have purchased?_____

_____

B. Bill Reavis had his tonsils taken out. The surgeon's bill arrived yesterday.

What type of insurance would have helped Bill pay for this bill?_____

_____

C. Debbie Portor has pneumonia, but her doctor told her that modern medicine would have her out of the hospital within a week.

What types of insurance does Debbie need?_____

D. Oren Sims suffered a very badly damaged arm in a motorcycle accident. The damage to the arm will require a series of six operations, extensive physical therapy, and a hospital stay of at least three months. Complications require that a specialist be called in.

What type of insurance does Oren need?_____

ASSIGNMENT SHEET #3

E. Joyce Anderson has developed a skin rash, and finds she has to visit the doctor twice a week for a month.

What type of insurance would help Joyce pay for this health care?_____

_____

F. Janet Blackefox is going to have several of her teeth filled. Some may even have to be capped.

What type of insurance would help Janet pay for this health care?_____

_____

G. Kay Nolen is sixty-seven years old.

What type of insurance program should Kay be investigating?_____

_____

H. Tina Winters is a young mother, and her family has fallen on hard times. She and her husband have lost their jobs because their office closed. Their daughter Betty is sick, and there is no money for medical care and no insurance since Tina and her husband lost their jobs.

What type of insurance program would be the answer to their problems?_____

_____

I. Janet Woods was hurt on the job. She has to be off work for several months.

What type of insurance program would help Janet?_____

HEALTH INSURANCE
UNIT III

ASSIGNMENT SHEET #4 — OBTAIN INFORMATION FROM A HEALTH INSURANCE POLICY

NAME _____ SCORE _____

Health care is a very important matter for Americans. Since 1847, when the first, very limited sickness insurance policy was offered, health insurance coverage has grown steadily.

Health insurance policies and premiums are quite different from company to company. There are many combinations of coverage and plans. Before buying health insurance, check with a number of companies. Look into group plans. Check to see if your policy will pay even if you are covered under another policy. Remember also that your needs may change. Reevaluate your needs once in awhile and make any changes that may be required.

Obtain information from a health insurance policy by answering the following questions. Use your family's insurance policy or one provided by your teacher.

A. Is the insurance policy a group plan or an individual plan?_____

_____

B. What is the name of the insurance company?_____

_____

C. What members of your family are covered?_____

_____

HOSPITAL EXPENSES

D. How many days in the hospital are covered?_____

E. How much per day is paid for room and board?_____

F. How much is the deductible, if any?_____

G. How long is the waiting period before benefits start?_____

H. How can the insurance company cancel the policy?_____

_____

_____

_____

ASSIGNMENT SHEET #4

SURGICAL EXPENSES

I. What kinds of surgery are covered?_____

_____

_____

_____

REGULAR MEDICAL EXPENSES (PHYSICIANS)

J. How much is paid for each visit to the doctor's office?_____

K. Is there a deductible clause?_____ How much is it?_____

MAJOR MEDICAL

L. What is the maximum amount the policy will cover?_____

M. How much coinsurance must the policyholder pay?_____

_____

N. How much is the deductible?_____

O. What out-of-hospital expenses are covered?_____

_____

_____

_____

P. Briefly summarize the exclusions, if any._____

_____

_____

_____

_____

HEALTH INSURANCE
UNIT III

ASSIGNMENT SHEET #5 — PROVIDE INFORMATION FOR A HOSPITAL ADMISSION SHEET

NAME _____ SCORE _____

As part of admission to a hospital, a patient must complete an admission sheet. Usually the information is recorded by someone working in the admissions office of the hospital. If the patient is brought into the emergency room, the information must be obtained from a relative.

(NOTE: Hospitals cannot treat minor children without the permission of the parents or legal guardian. Parents or legal guardians should provide instructions for their children's caregivers to follow in emergency situations.)

Much of the information that is recorded on the admissions sheet pertains to your insurance coverage. Provide information for the hospital admission sheet on the following pages. Complete only the top half, stopping just before the Provisional Diagnosis section. The bottom section will be completed by hospital personnel.

ASSIGNMENT SHEET #5

ADMISSION SHEET

LIONS CLUB EYE DONOR ☐ Yes ☐ No

Family Name	First Name	Middle Name	Home Phone	Room No.	Hosp. No.

Mailing Address	City	Zone	State	Sex M F	Civil Status M S W D Sep	Religion

Age Yrs	Birth Date Mo. Day Year	Birthplace	Nationality	Soc. Sec. No.

Occupation	Employer or Employer of Spouse	Address of Employer-Phone

Name of Husband, Maiden Name of Wife or Parent	Address if Other Than Above	Birthplace

Notify in Case of Emergency	Relationship	Address	Phone

Name of Blue Cross and/or Blue Shield Plan	Type	Group No.	Contract No.	Effective Date	

Other Hospitalization Insurance Name	Address	Policy Number	Policy Holder

Medicare #	Welfare #

Person Responsible for This Account	Relationship	Person Responsible for This Account Must Sign Below on Admission of Patient

Mailing Address	City	State	Employer

Address of Employer-Phone	I Hereby Agree to Pay for Services Rendered to This Patient-Signature of Guarantor

Attending Physician	Date of Last Admission	Admission Date A.M. P.M.	Discharge Date A.M. P.M.

Provisional Diagnosis (to be completed within 24 hours after admission)	On admission, patient or qualified person must sign authorization for Medical and/or Surgical Treatment on reverse side
THIS SECTION TO BE COMPLETED BY HOSPITAL PERSONNEL	

Final Diagnosis — Code No.

Secondary Diagnosis or Complications

Operation

Results: Recovered ☐ Improved ☐ Not Improved ☐ Not Treated ☐ Diagnosis Only ☐ Died ☐ Under 48 hrs. ☐ Over 48 hrs.

Cause of Death _____ Autopsy ☐ Yes ☐ No

Consultation With _____

	YES	NO		YES	NO
Infection on Admission	☐	☐	Infection on Discharge	☐	☐
Post Operative Infection	☐	☐	Nosocomial Infection	☐	☐

Signed _____ M.D. Attending Physician

CHART COPY

ASSIGNMENT SHEET #5

AUTHORIZATION FOR MEDICAL AND/OR SURGICAL TREATMENT

I, the undersigned, a patient in _____, hereby authorize Dr. _____ (and whomever he may designate as his assistants) to administer such treatment as is necessary, and to perform the following operation _____ (NAME OF OPERATION) and such additional operations or procedures as are considered therapeutically necessary on the basis of findings during the course of said operation. I also consent to the administration of such anesthetics as are necessary, with the exception of _____ (NONE, SPINAL ANESTHESIA, OR OTHER)

Any tissues or parts surgically removed may be disposed of by the hospital in accordance with accustomed practice.

I hereby certify that I have read and fully understand the above Authorization for Medical and/or Surgical Treatment, the reasons why the above named surgery is considered necessary, its advantages and possible complications, if any, as well as possible alternative modes of treatment, which were explained to me by Dr. _____. I also certify that no guarantee or assurance has been made as to the results that may be obtained.

Date _____ Signed _____ (PATIENT)

Witness _____ Or _____ (NEAREST RELATIVE)

Relationship to Patient _____

_____

If someone other than the patient signed, give reason patient did not sign.

Both authorizations must be signed by the patient, or by the nearest relative in the case of a minor or when patient is physically or mentally incompetent.

AUTHORIZATION FOR RELEASE OF INFORMATION

Authorization is hereby granted to release to the _____ (NAME OF INSURANCE COMPANY OR COMPANIES) such information as may be necessary for the completion of my hospitalization claims.

Date _____ Signed _____ (PATIENT)

Or _____ (NEAREST RELATIVE)

Relationship to Patient _____

CITY MEDICAL CENTER

HEALTH INSURANCE
UNIT III

ANSWERS TO ASSIGNMENT SHEETS

Assignment Sheet #1 — Completed to the satisfaction of the instructor

Assignment Sheet #2 — Completed to the satisfaction of the instructor

Assignment Sheet #3

A. Loss of income

B. Surgical

C. Hospitalization and regular medical expense

D. Major medical

E. Regular medical expense

F. Dental

G. Medicare

H. Medicaid or individual

I. Worker's compensation

Assignment Sheet #4 — Completed to the satisfaction of the instructor

Assignment Sheet #5 — Completed to the satisfaction of the instructor

HEALTH INSURANCE
UNIT III

TEST

NAME _____ SCORE _____

1. Match terms associated with health insurance to their correct definitions. Write the correct numbers in the blanks.

_____a. Payment to an employee other than wages or salary

_____b. Common form of a drug; usually costs less than a similar brand-name drug

_____c. System of insurance whereby the insurance company will pay only a percentage of the remainder of the bill after the insured has paid the deductible

_____d. Specific connection with an organization

_____e. Person who owns the insurance policy

1. Affiliation
2. Coinsurance
3. Generic drug
4. Policyholder
5. Fringe benefits

2. Select from the following list factors that contribute to rising health care costs. Write an "X" in the blank before each correct answer.

_____a. Abuse of insurance

_____b. Month in which an illness or accident occurs

_____c. Greater demand for health services

_____d. Medical techniques and procedures

_____e. Company from which policy was purchased

_____f. Inflation

3. Select from the following list factors that affect cost of health insurance. Write an "X" in the blank before each correct answer.

_____a. Political party affiliation of insured

_____b. Medical care cost in the local area

_____c. Type of policy

TEST

_____d. Age of insured

_____e. Whether insured has living grandparents

_____f. Occupation of insured

_____g. Physical condition of insured

_____h. Education of insured

_____i. Medical history of insured

_____j. Sex of insured

_____k. Type(s) of health insurance selected

4. Select from the following list health insurance factors by placing an "X" in the appropriate blanks.

_____a. All health insurance policies, premiums, and provisions are about the same

_____b. It is a good idea to get several policies and companies to get entire coverage

_____c. Group plans are usually more expensive

_____d. Some policies cover only major hospital expenses

_____e. Some policies provide regular income for the disabled

5. State general rules for adequate health insurance coverage.

a. _____

b. _____

c. _____

6. Match types of government-sponsored health insurance programs to their correct descriptions. Write the correct numbers in the blanks.

_____a. Pays the medical expenses for needy people of all ages with state and federal funds

_____b. Provides state-funded benefits for employees' injuries or illness resulting from their jobs

_____c. Provides medical benefits to the aged through the Social Security system

1. Medicare
2. Medicaid
3. Worker's compensation

TEST

7. Select from the following list facts about group and individual insurance policies. Write an "X" in the blank before each correct answer.

Group

_____a. May offer limited coverage; are difficult to tailor to individual needs

_____b. Are often available through place of work

_____c. Are available only to people with children

_____d. Provide coverage at comparatively low costs

Individual

_____a. Are available only to married persons

_____b. Offer protection for those not eligible for membership-type policies

_____c. Can be specifically tailored to meet personal needs

_____d. Are available only to persons with one or more years of college education

_____e. Can provide continued coverage between jobs

8. List types of health insurance coverage according to their descriptions.

a. _____ — Provides payment for medical expenses that result from accidents

b. _____ — Provides benefits to cover some or all of the cost of room, board, and other in-hospital services

c. _____ — Usually covers doctor's fees for nonsurgical care in a hospital, at home, or at the doctor's office

d. _____ — Provides protection against the cost that results from serious accidents or prolonged illness

e. _____ — Usually covers normal dental care, preventive dental care, and tooth damage caused by accidents

f. _____ — Pays all or part of a surgeon's fees for an operation

g. _____ — Pays benefits with regular payments to wage earners when their income is cut off as a result of an illness or accident

TEST

9. List three pieces of insurance information needed by hospital to admit patient.

   a. _____

   b. _____

   c. _____

10. Describe methods insurance companies use to pay benefits.

   a. Indemnity basis — _____

   _____

   b. Service benefits — _____

   _____

11. State three qualifications for a health care professional.

   a. _____

   _____

   b. _____

   _____

   c. _____

   _____

12. Select from the following list questions to ask a doctor. Write an "X" in the blank before each correct answer.

Drugs

_____a. What color are the pills?

_____b. How much of the drug should be taken?

_____c. Can a generic drug be substituted?

_____d. Will there be any side effects from the drug?

_____e. What other products are sold in the pharmacy?

_____f. Is the drug really necessary?

_____g. What time of day should the drug be taken and for how many days?

_____h. What does the drug do?

_____i. What is in the drug?

TEST

Diagnosis and treatment procedures

_____a. Is the procedure really necessary?

_____b. Who will my roommate be?

_____c. What is the purpose of the procedure?

_____d. What does the procedure involve?

_____e. How many hospital workers are on each shift?

_____f. Can this procedure be done on an out-patient basis, or is hospitalization necessary?

_____g. Will there be any side effects?

_____h. Will there be need for a recuperation period?

13. State two facts about health maintenance organizations.

a. _____

_____

b. _____

_____

14. Define *workers' compensation.*

_____

_____

15. Select from the following list features of workers' compensation by placing an "X" in the appropriate blanks.

_____a. Is an optional plan that employees may choose

_____b. Covers injury both on and off the job

_____c. Covers illness both on and off the job

_____d. Pays percentage of earnings

_____e. Pays accidental death benefits

TEST

(NOTE: Test questions 16-20 list the assignment sheets. They are an important part of this test. If they have not been completed, check with your instructor.)

16. Answer questions about health care cost.

17. Estimate health care cost.

18. Recommend insurance for certain situations.

19. Obtain information from a health insurance policy.

20. Provide information for a hospital admission sheet.

HEALTH INSURANCE
UNIT III

ANSWERS TO TEST

(NOTE: It may be helpful to use your blank test to make a test key.)

1. a. 5
   b. 3
   c. 2
   d. 1
   e. 4

2. a, c, d, f

3. b, c, d, f, g, i, j, k

4. d, e

5. a. Insure against major medical expenses
   b. Consider the advantages of group and individual policies
   c. Buy across-the-board coverage

6. a. 2
   b. 3
   c. 1

7. **Group**

   a, b, d

   Individual

   b, c, e

8. a. Accident
   b. Hospitalization
   c. Regular medical expense
   d. Major medical
   e. Dental
   f. Surgical
   g. Loss of income

ANSWERS TO TEST

9. Answer should include any three of the following

   a. Name and address of insurance company
   b. Policy number
   c. Policyholder's name
   d. Claim form

10. Description should include the following

    a. Indemnity basis — Insurance company pays a set amount
    b. Service benefits — Insurance company pays the hospital directly for a type of service specified in the policy

11. Answer should include any three of the following

    a. Graduation from an approved school
    b. License to practice in your state
    c. Acceptance as a member of professional societies and associations
    d. Affiliation with a local hospital
    e. Established good reputation among patients and other professionals

12. **Drugs**

    b, c, d, f, g, h, i

    Diagnosis and treatment procedures

    a, c, d, f, g, h

13. Answer should include any two of the following

    a. Provide health services rather than benefits for medical services
    b. Are usually provided through an employment group plan
    c. Are usually paid for by the employer or employee by paying a lump sum or monthly fee

14. Health insurance provided by each state

15. d, e

16. Completed to the satisfaction of the instructor

ANSWERS TO TEST

17. Completed to the satisfaction of the instructor

18. Completed to the satisfaction of the instructor

19. Completed to the satisfaction of the instructor

20. Completed to the satisfaction of the instructor

LIFE INSURANCE
UNIT IV

UNIT OBJECTIVE

After completing this unit, the student should be able to state reasons for purchasing life insurance and complete a life insurance application form. This knowledge will be shown by completing assignment sheets and unit test with a minimum score of 85 percent.

SPECIFIC OBJECTIVES

After completing this unit, the student should be able to

1. Match terms associated with life insurance to their correct definitions.
2. Match forms of term insurance to their correct descriptions.
3. Match forms of permanent insurance to their correct descriptions.
4. Match special clauses in life insurance policies to their correct descriptions.
5. Select from a list types of financial protection that affect need for life insurance coverage.
6. Select from a list guidelines to use in purchasing and maintaining life insurance coverage.
7. Select from a list factors that affect the cost of life insurance.
8. State examples of ways life insurance benefits are used.
9. Select from a list facts about the cash value of an insurance policy.
10. Select from a list ways policyholder can receive benefits if premium payments are stopped.
11. Select from a list of factors affecting selection of an insurance company.
12. Evaluate personal knowledge about life insurance.
13. Obtain information about life insurance policies.
14. Select appropriate solutions to a life insurance problem.
15. Determine life insurance needs.
16. Complete a life insurance application.

LIFE INSURANCE
UNIT V

SUGGESTED ACTIVITIES

I. Unit contents

A. Objective sheet

B. Suggested activities

C. Information sheet

D. Assignment sheets

1. Assignment Sheet #1 — Evaluate Personal Knowledge About Life Insurance

2. Assignment Sheet #2 — Obtain Information About Life Insurance Policies

3. Assignment Sheet #3 — Select Appropriate Solutions to a Life Insurance Problem

4. Assignment Sheet #4 — Determine Life Insurance Needs

5. Assignment Sheet #5 — Complete a Life Insurance Application

6. Assignment Sheet #6 — Select Appropriate Coverage

E. Answers to assignment sheets

F. Test

G. Answers to test

I. Instructor's guide

A. Obtain materials to supplement unit.

1. "The Booklet You Have In Your Hand Is Not Designed to Sell Life Insurance" No. 301

2. "Plain Talk About Your Life Insurance Policy" No. 304

3. "Let's Talk About Money" No. 307

4. "Planning for Retirement" No. 331

5. "A Guide To Life Insurance For Women Only" No. 309

(NOTE: These pamphlets are available from American Council of Life Insurance, 1850 K St., NW, Washington, DC 20006.)

B. Provide students with objective sheet.

SUGGESTED ACTIVITIES

C. Discuss unit and specific objectives.

- Introduce unit by asking students the question, "In financial matters, how would it affect your family if the main breadwinner died?" Have students list several things they would have to give up if something happened to the breadwinner in their family.
- Emphasize that it is important to have life insurance on the person who is in charge of the home.
- Introduce acute need for life insurance; use Assignment Sheet #1.
- Point out to students that there are only two basic types of life insurance (term and permanent), but many forms of each.

D. Provide students with information and assignment sheets.

E. Discuss information and assignment sheets.

1. Emphasize consumer's need for basic life insurance information before shopping for life insurance; use Information Sheet, Sections II, III, and IV.
   - Invite an insurance agent to discuss basic life insurance coverages and related information. Have students prepare questions to ask agent.
2. Point out importance of careful consumer comparison of insurance costs/forms with personal needs. Point out that students should be aware of highly advertised policies and of door-to-door salespeople; use Information Sheet, Sections V, VI, VII, XI, and Assignment Sheets #4 and #5.
   - Have students react to insurance myth, "Since there are differences in the price of insurance and since states regulate insurance companies, one should always buy cheapest." Point out that cheapest may be from a company that is not financially sound.
   - Check reports by A. M. Best Company at library for ratings of financial soundness of selected insurance companies.
3. Focus on variety of ways that life insurance benefits are used; use Information Sheet, Sections VIII and IX and Assignment Sheet #2.
   - Have students categorize items listed in Information Sheet, Section V (protection feature or savings feature) and explain their reasons.
4. Emphasize the "living values" of life insurance available to policyholders; use Information Sheet, Section X and Assignment Sheet #3.
5. When doing Assignment Sheet #4, have students play the following game. The goal is to help students recognize the different types of life insurance and how they fit each person's life situation.
   a. Give students a few minutes to imagine what their lives will be like in ten years and have them do Assignment Sheet #4.

b. Have students put their assignment sheets in a box.

c. Write the forms of life insurance on 3 x 5 cards. Do this three times so that there are three cards with term insurance written on them and so on. Shuffle the cards and put them face down on the table.

d. Ask a student to choose an assignment sheet from the box and one of the 3 x 5 insurance cards. Student then gives class a brief summary of the assignment sheet and whether the insurance coverage is adequate. Let the other class members agree or disagree, giving reasons for their decision. At this time, emphasize to students the pitfalls of choosing a life insurance policy without considering each individual's unique needs.

e. Play the game several times, each time with a different student.

f. Have each student in the class draw an assignment sheet from the box. Acting as a "life insurance agent," the student recommends the kind of insurance that would best suit the situation described on the assignment sheet. Have student write the kind of insurance and reason for recommending the insurance on a separate sheet of paper, and then sign it and attach it to the assignment sheets.

g. Collect the assignment sheets and return them to their actual owners. Have students further discuss with their "agents" the recommendation for insurance that was made.

6. Point out to students consequences for failing to keep the beneficiary up-to-date. How might their beneficiary change during the next five to ten years?

   CASE STUDY: Mary and George were married. Mary bought life insurance on herself and made George the beneficiary. Mary and George were divorced two years later. After the divorce, Mary wanted her parents to have all her money and property in the event something happened to her. Six weeks after the divorce was final, Mary was killed in a plane crash. At the time of the divorce, Mary had forgotten to change the beneficiary on her insurance policy. George received the proceeds from Mary's insurance policy, not her parents as Mary had intended.

7. When discussing Information Sheet, Section X, have students complete Assignment Sheet #5.

8. Emphasize the importance of gathering information relevant to the student's individual life insurance needs through interviews with insurance agents; use Information Sheet, Section IX and Assignment Sheet #6.

   - EXAMPLE: Have students interview insurance agents to get answers to questions about life insurance.

F. Develop appropriate learning activities for special needs students.

G. Give test.

H. Reteach and retest if necessary.

III. Unit references

A. Blackwell, Dorothy G. *Buying Life Insurance*. Oklahoma State University Extension Facts, FLA 4224. Stillwater, Oklahoma: 1979.

B. Blackwell, Dorothy G. *Life Insurance for the Family*. Oklahoma State University Extension Facts, FLA 4123. Stillwater, Oklahoma: 1979.

C. Blackwell, Dorothy G. *Understanding Life Insurance*. Oklahoma State University Extension Facts, FLA 4220. Stillwater, Oklahoma: 1979.

D. Boardman, Charles C., et al. *Consumer Education*. Encino, California: Glencoe Publishing Co., Inc. 1979.

E. *Guiding Your Group: Life Insurance*. New York: Education and Community Services, American Council of Life Insurance, n.d.

F. *Protecting Your Future*. New York: Education Service, Institute of Life Insurance, Health Insurance, n.d.

LIFE INSURANCE
UNIT IV

INFORMATION SHEET

I. Terms and definitions

A. Term insurance — Protection for a certain length of time against loss of life

B. Permanent insurance — Lifetime protection for the insured and his or her beneficiaries

C. Cash value — Money available in cash upon voluntary termination of a policy before it becomes payable by death or maturity

D. Beneficiary — Person named in the policy to receive the insurance proceeds at the death of the insured

E. Incontestable clause — Statement that insured has a temporary policy for a certain length of time (usually one or two years)

(NOTE: If, during this time, the insurance company finds that the insured lied or made a mistake on the application, the policy will no longer be honored.)

F. Special clause — Provision for certain added benefits that will increase the cost of the policy

(NOTE: Sometimes the clause is a part of the original policy; cost is included in the basic premium. In other cases, clauses are added to the policy at an extra charge.)

G. Contingent beneficiary — Person named in the policy to receive the insurance proceeds at the death of the insured if the person named as beneficiary is no longer living

H. Grace period — Time between the date the premium is due and the date that the policy can be canceled for nonpayment

II. Forms of term insurance (Assignment Sheet #4)

A. Renewable term — Policies guarantee the insured the right to renew the policy without having a new medical examination; benefits are paid at the death of the insured

(NOTE: The premium will be higher each time it is renewed since the insured will be older. Renewable policies are usually limited to a certain number of terms and cannot be renewed once the insured is past a certain age. The policy is usually renewed on a one-year, five-year, ten-year, or twenty-year basis.)

INFORMATION SHEET

B. Convertible term — Policies have a provision that allows the insured to change the policy from term to permanent insurance

C. Increasing term — Premiums stay the same during the coverage period, but the amount of coverage gets larger each year

D. Decreasing term — Premiums stay the same during the coverage period, but the amount of coverage becomes smaller

EXAMPLES: Credit life, mortgage

E. Level term — Amount of protection stays the same during the entire time the policy is in effect

III. Forms of permanent insurance (Assignment Sheet #4)

A. Straight — Combination of a decreasing amount of protection with an increasing amount of savings within the policy

(NOTE: Straight life is sometimes called *whole* or *ordinary life*.)

B. Limited payment — Protection for life, but policyholders pay premiums only for a certain number of years

(NOTE: Policies are often named by the number of years the policyholder pays premiums. A twenty-payment policy requires payments for twenty years.)

C. Endowment — Combination of temporary insurance and savings, with emphasis on savings; savings can be built up in a fixed number of years

(NOTE: Premiums are paid for a certain number of years [usually twenty or thirty years] or to a certain age. Premiums are higher for endowment insurance than for the other basic types of life insurance.)

IV. Special clauses in life insurance policies (Assignment Sheet #4)

A. Premium waiver — Insured person does not have to pay premium while he or she is totally disabled

B. Double indemnity — Beneficiary receives double the face value of policy if insured dies accidentally

C. Automatic premium loan — Company automatically pays premiums from the values in the policy if insured misses paying

(NOTE: Some companies offer a policy in which the premium will be deducted from earned interest when the premium is not received on time.)

INFORMATION SHEET

V. Types of financial protection that affect need for life insurance coverage (Assignment Sheets #4 and #5)

(NOTE: The types of financial protection that affect the need for life insurance should be reviewed periodically.)

A. Social security

B. Worker's compensation

C. Union and/or employer's benefits

D. Veteran's benefits

E. Job retirement

F. Savings and investments

VI. Guidelines to use in purchasing and maintaining life insurance coverage (Assignment Sheets #4 and #5)

A. Compare insurance policies

B. Read insurance policies carefully to understand their provisions

C. Keep policy in safe place

(NOTE: Let your beneficiaries know where your policies are located. Your beneficiaries must give the policy and death certificate to the insurance company before collecting on the insurance.)

D. Keep insurance company informed of your address

E. Discuss your insurance with your family and other beneficiaries

F. Review your insurance program periodically

G. Evaluate personal needs for insurance to determine amount of insurance needed

EXAMPLES: Consider number and ages of dependents, standard of living dependents want to maintain if insured dies, amount of other financial resources family has to use, current income and future earnings.

INFORMATION SHEET

VII. Factors that affect the cost of life insurance (Assignment Sheets #4 and #5)

A. Kind of life insurance needed

B. Age of the insured

(NOTE: Generally, the younger a person is, the less he or she will pay for insurance coverage.)

C. Amount of claims paid

(NOTE: Insurance companies set base rates from estimates of what they will have to pay out on claims or policies.)

D. Operating expenses

(NOTE: The costs of operating the insurance companies, plus a profit for owners of the company, are considered in arriving at premiums.)

E. Reserve fund

(NOTE: Each insurance company sets aside a reserve fund for meeting emergency situations such as heavy future claims.)

F. Health of the insured

G. Company from which insurance is bought

(NOTE: Different companies charge different premiums for the same coverage.)

H. Occupation of the insured

(NOTE: Your occupation and its hazards can affect the cost of life insurance for you. However, nine out of ten people have occupations that let them pay standard rates.)

I. Results of blood tests

(NOTE: Some companies lower their life insurance rates to those who will submit to blood tests for the AIDS virus. Other companies require blood tests of those who take out insurance policies of $100,000 or more.)

VIII. Examples of ways life insurance benefits are used (Assignment Sheets #1 and #2)

(NOTE: Few, if any, life insurance policies will offer all these benefits.)

A. Pay final expenses and debts of the policyholder

B. Replace some or all of the income a family would lose

C. Pay for a housekeeper if the homemaker dies

D. Pay a certain amount of money to a policyholder at a certain age

E. Guarantee retirement income

F. Build a fund to use as income or for loans in emergencies while continuing to protect dependents

INFORMATION SHEET

G. Provide for education

H. Provide savings

IX. Facts about the cash value of an insurance policy (Assignment Sheet #2)

A. Cash value can be used as collateral

(NOTE: If the insured dies before the loan is repaid, the money is subtracted from the death benefit payable to the beneficiary.)

B. Cash value can be used to buy policy for a smaller amount if premiums cannot be paid

(NOTE: The cash value is used to buy an insurance policy for a smaller amount that is paid in full for the rest of your life.)

C. Cash value can be used to buy fully paid term policy for a certain number of years and days

(NOTE: You can stop paying premiums but keep the same amount of protection for a limited period of time. After that time, the insurance policy will end.)

X. Ways policyholder can receive benefits if premium payments are stopped (Assignment Sheet #3)

A. Lump sum payment

B. Income plan

(NOTE: The cash value is left with the insurance company, and a plan is devised as to how the insured is to receive the cash value.)

EXAMPLE: Cash payments could be made to the insured each month.

C. Reduced paid-up life insurance

(NOTE: The policy is changed to a lower face value. There are no more payments made for premiums. If you bought a whole-life policy at age thirty-five, at age sixty-five you can change it to a paid-up policy; but the face value will be about 70 percent of the original. Your beneficiary will receive this smaller amount upon your death.)

D. Extended term insurance

(NOTE: There is no more payment of premiums. The insurance continues at the face value of your policy. It will continue only for a certain number of years. At the end of this time, all protection stops.)

XI. How to select an insurance company

A. Ask for other people's opinion of the company's reliability and speed in paying benefits

EXAMPLES: Competitors, Chamber of Commerce, banker, attorney, accountant

B. Notice if the quoted price is competitive

C. Ask about options that are available

INFORMATION SHEET

EXAMPLES: Higher deductibles, varying amounts of protection

D. Find out all the types of insurance available from one company

EXAMPLES: Life, auto, homeowner's

E. Select an agent with the ability to explain policies, answer questions, and meet your individual needs

F. Find out if there is an adequate staff to handle problems, even if your agent is not available at the time

LIFE INSURANCE
UNIT IV

ASSIGNMENT SHEET #1 — EVALUATE PERSONAL KNOWLEDGE ABOUT LIFE INSURANCE

NAME _____ SCORE _____

This might be the first time that you have really thought about life insurance. It might help to know that life insurance is simply a system of planning for financial security.

Agree or disagree with the following statements about life insurance. Give a reason for each answer.

A. It makes little sense to purchase life insurance when you are young, single, and healthy. The time to buy insurance is when you grow older and have big responsibilities.

Do you agree or disagree? _____ Reason _____

_____

_____

_____

B. Auto racers, mountain climbers, and parachute testers should be charged the same rate for life insurance as everyone else.

Do you agree or disagree? _____ Reason _____

_____

_____

_____

C. Women do not need life insurance.

Do you agree or disagree? _____ Reason _____

_____

_____

_____

LIFE INSURANCE
UNIT V

ASSIGNMENT SHEET #2 — OBTAIN INFORMATION
ABOUT LIFE INSURANCE POLICIES

NAME _____ SCORE _____

Life insurance plays an important role in the financial security of most families. In fact, seven out of eight American families today have life insurance. Families see it as protection that guarantees dollars to replace income if something happens to the major wage earner. Also, they look upon their life insurance as one of the financial tools they use to help reach family goals.

Obtain information about your family's life insurance policy by answering the following questions. If your family does not have an insurance policy, answer the question as if your family does have one.

A. Where is your family's life insurance policy kept? _____

_____

B. What is the name and address of your family's life insurance agent? _____

_____

C. What is the amount of the premium for each policy and the date it is due? _____

_____

D. What would happen if a premium were not paid when it is due? _____

_____

_____

E. Who is named beneficiary in each policy? _____

_____

_____

_____

F. Does each policy name a contingent beneficiary? _____

G. What is the present cash value in the life insurance policy? _____

H. Are there loans against your life insurance policy? _____

I. Is there a grace period for the payment of the premium? _____ If so, what is it? _____

_____

LIFE INSURANCE
UNIT IV

ASSIGNMENT SHEET #3 — SELECT APPROPRIATE SOLUTIONS TO A LIFE INSURANCE PROBLEM

NAME _____ SCORE _____

You might suppose that most benefit payments of life insurance policies go to the survivors or beneficiaries. This is not entirely true. A large percentage of payments goes to living policyholders. The living values of life insurance can be very important in preserving the special financial plans of the insured person.

Solve the following life insurance problems. Fill in the blanks with the number of the appropriate solution.

LIFE INSURANCE PROBLEMS

A. _____ Gary Cooper, 43

I lost my job and cannot afford premiums of $795 on my straight life policy. I have paid premiums for twenty years. What can I do now? My family still needs protection.

B. _____ Jerry Black, 47

If I had $30,000, I could buy a new tractor and double my business. Where could I borrow that kind of money at a reasonable interest rate?

(NOTE: Someone who purchases large pieces of equipment that are financed can also buy credit life insurance to protect both buyer and seller.)

C. _____ Shelia Morrison, 67

My husband and I are retired. We have an income from our pension plans and Social Security. We have paid premiums on a straight life policy for thirty-six years. Now that the children are self-supporting and we have more insurance than we think we need, I wonder if that old policy is worth anything? Maybe we should put the money into a savings account since it will give us a regular, fixed monthly income payment.

D. _____ Edith Jones, 27

If I'm working, I can pay the premiums on my new policy. What if I get sick and cannot work? How will I pay the premium?

ASSIGNMENT SHEET #3

SOLUTIONS

1. For small additional cost, you can ensure that you will not have to pay the premium on your insurance if you become disabled for six months or longer.

2. Insurance policies may have a cash value that you can borrow at a reasonable interest rate.

3. If later in life you have no major financial responsibilities and want money for things you need, you can surrender or cash your insurance policy and put it into a savings account.

4. Almost every straight life policy begins to build a cash value after the first year or two. You can turn that cash value into a paid-up policy. The amount of the policy will be less than the original, but it will still offer protection.

LIFE INSURANCE
UNIT IV

ASSIGNMENT SHEET #4 — DETERMINE LIFE INSURANCE NEEDS

NAME _____ SCORE _____

When choosing the type and amount of life insurance necessary to assure continued financial security for yourself and family, be sure to consider both your family's total obligations and the income needed if the breadwinner should die. Include any other income the survivors could ordinarily expect to receive, such as social security, employment benefits, and investment returns.

Determine life insurance needs by completing the following questionnaire. Allow your imagination to transport you ten years into the future and answer the questions as you think your situation will be ten years from now.

NAME _____

ADDRESS _____

MARITAL STATUS ____single ____married ____widowed

____separated ____divorced

OCCUPATION _____

Is occupation considered hazardous? ____yes ____no

Spouse's occupation _____

CHILDREN'S NAMES AND AGES _____

_____

_____

FAMILY FINANCES

Income Range:

____0 - $30,000

____$30,000 - $40,000

____$40,000 - $50,000

____$50,000 - $60,000

____$70,000 - $80,000

____over $80,000

ASSIGNMENT SHEET #4

What additional financial assets do you have such as rental property or savings accounts?

_____

_____

Do you have outstanding debts? _____yes _____no

If you do, what are they and how much? _____

_____

_____

_____

HOUSING

_____own home $_____amount of mortgage

_____rent $_____amount of rent per month

MEDICAL PROBLEMS (please specify)

_____

_____

_____

Choose one type of insurance that would suit your needs ten years from now; give reasons for your choice

Type of insurance chosen_____

Reason _____

_____

_____

_____

LIFE INSURANCE
UNIT IV

ASSIGNMENT SHEET #5 — COMPLETE A LIFE INSURANCE APPLICATION

NAME _____ SCORE _____

When you buy life insurance, you will be asked to complete an application form. The application form is used to determine whether you qualify for the insurance coverage and to help identify you to the insurance company.

The applicant will be asked to give general information such as name, address, age, marital status, occupation, and social security number. Also the primary beneficiary and the contingent beneficiary must be listed.

The primary beneficiary is the person named in the policy to receive the proceeds at the death of the insured. The contingent beneficiary is the person to receive benefits if the primary beneficiary is no longer living. It is very important to keep the beneficiary up-to-date so that the proceeds from the insurance policy will go to the person whom you want to receive it.

Complete the following life insurance application.

ASSIGNMENT SHEET #5

This information in the Application is to be furnished by the Applicant

1. Name of Applicant - Proposed Insured - Please Print

2. Date and State of Birth

3. Age

4. Owner of Policy, if other than applicant - proposed insured
Name and relationship to applicant

5. Amount of Insurance

6. a. Height b. Weight c. Sex d. Marital Status

7. Address of Applicant: _____

Street _____ City _____

County _____ State _____ Zip Code _____

8. Occupation _____ Employer _____

9. Beneficiary. Give full name, relationship, and date of birth

First _____

Second _____

Is right to change Beneficiary reserved to the Owner? Yes No

10. Family Physician _____

Name _____ Address _____

11. Will proposed insurance replace any existing policy? Yes No

Mode of Payment: Total Premium $ _____

A ( ) Plan _____

SA ( ) Additional Benefits _____

G ( ) _____

M ( ) _____

Is Automatic Loan Provision desired: Yes ( ) No ( )

Dividend Option desired if Participating Policy

Reduce Prem ( ) Cash ( ) Accumulate ( )

Pd. Up Ins. ( )

Policy owner's social security no _____

Answer the following questions by checking one box only and give the details together with the name of the Proposed Insured in the space below.

	Yes	No
A. Are you free from disease and in sound health?		
B. Have you:		
1. Ever been declined or rated for the issuance of life, accident, or health insurance?		
2. Ever had:		
(a) disease of the heart, paralysis, or high blood pressure?		
(b) disease of the lungs or tuberculosis?		
(c) disease of the kidneys?		
(d) disease of the stomach or other vital organs?		
(e) cancer or diabetes?		
(f) mental or nervous trouble?		
3. Consulted a physician or received hospital or sanitarium observation or care during the past 5 years?		

Name	Nature of Illness or Accident	Date From	Date To	Attending Physician & Address

HOME OFFICE ADDITIONS OR CORRECTIONS — DO NOT WRITE IN THIS SPACE

AGREEMENT

I hereby declare that all the statements and answers to the above questions are complete and true to the best of my knowledge and belief, that before signing I read each and all of said questions and answers and I agree that this application shall be attached to and from a part of the contract of insurance for which I have applied. I further agree that the insurance applied for shall not take effect until this application has been approved by the company at its home office and the first premium has been paid in full nor until the policy is issued and actually delivered to the applicant during the lifetime of the Proposed Insured(s) while each of them are in the same health condition as described in the application.

AUTHORIZATION AND ACKNOWLEDGEMENT STATEMENT

I hereby authorize any licensed physician, medical practitioner, hospital, clinic, or other medical or medically related facility, insurance company, the Medical Information Bureau, or other organization, institution, or person, that has any records or knowledge of me or my health, to give to the Gibson National Life Insurance Company or its reinsurers any such information. I also acknowledge receipt of the NOTICE TO APPLICANT. A photographic copy of this authorization and acknowledgement shall be as valid as the original.

Dated at _____ this _____ day of _____ 19_____ Signature _____
(Owner - Applicant)

FOR AGENT'S SIGNATURE

Is proposed insurance intended to replace any existing policy? Yes ( ) No ( )

Name of Company _____

Writing Agent _____

LIFE INSURANCE
UNIT IV

ASSIGNMENT SHEET #6 — SELECT APPROPRIATE COVERAGE

NAME _____ SCORE _____

Since there is a lot of variety in premiums, policies, terms, and companies, it is advisable to "shop around" before selecting your agency and policies. Interview an insurance agent for each kind of insurance. Use the questions listed below as guidelines. Feel free to add your own questions. The insurance agent may be a guest speaker in the classroom or student organization meeting, someone you interview for a homework assignment, or someone you interview while on a field trip to an insurance agency.

After completing the interview, describe briefly in the space provided at the end of assignment sheet the kinds of insurance policies you want to meet your personal needs now. How do you think the kind of policies you will need in ten years will be different from those policies that would fit your needs today? What options do you find desirable?

General Questions:

1. What is *annuity*?

2. Can one insurance plan be exchanged for another insurance plan if the policy holder desires?

3. What does a person have to do to show that she/he is insurable?

4. How do you figure how much coverage is enough?

5. Are there provisions to pay insurance premiums if a person becomes totally and permanently disabled?

6. What is *endowment insurance*?

ASSIGNMENT SHEET #6

7. What does *face amount* mean?

8. What is a *mortality table*?

9. What is *settlement option*?

10. What is *actual cash value*?

11. Is a person covered by a policy as soon as application is made, or is there a waiting period before the policy takes effect?

12. Is insurance a gamble?

13. Is it illegal for an agent to give a rebate to a policyholder from the agent's commission?

14. Does *underwriting* mean that the insurance company is determining whether or not a person is a good risk?

15. Is a *rider* a part of an insurance policy?

16. What does *grace period* mean?

ASSIGNMENT SHEET #6

17. Can an insurance company cancel a person's insurance after premiums have been paid for several years?

18. What is the role of the State Insurance Commission?

Life Insurance:

1. What is *limited payment life insurance*?

2. What is *nonparticipating life insurance*?

3. What is *participating life insurance*?

4. What is the difference in term and permanent life insurance?

5. Do the terms *permanent life insurance, cash value life insurance, whole life insurance, straight life insurance,* and *ordinary life insurance* all mean the same things? How do they differ?

6. What is the difference in level and decreasing term insurance?

7. Which is the most expensive, term or permanent life insurance?

ASSIGNMENT SHEET #6

8. Does term life insurance have any cash value?

9. Is term life insurance payable only at death?

10. Is term life insurance a contract only for a stated period of time?

11. Can level term life insurance be renewed at the end of the contract if there have been no changes in health?

12. Is it generally more expensive to renew level term life insurance?

13. What is usually the specified time period for level term life insurance? For decreasing term insurance?

14. Do premiums and the face amount remain the same during the contract for level term life insurance? For decreasing life insurance?

15. What would be a situation in which a person would want decreasing term life insurance rather than level term life insurance?

16. Which is most frequently purchased, term life insurance or permanent life insurance?

ASSIGNMENT SHEET #6

17. What are some optional features which may be added to life insurance if a person qualifies?

18. What is *waiver of premium*?

19. What is *double indemnity*?

20. What is *loan value*?

21. Can insurance premiums be paid up for a certain period of time? Permanently?

22. Is life insurance a way to save money?

23. What is an *endowment*?

24. Can life insurance policies be used for collateral?

25. What is the interest rate if you borrow on a life insurance policy?

26. Does borrowing from a policy decrease the face value by the amount borrowed plus the interest?

ASSIGNMENT SHEET #6

27. Are there only certain ages at which a policyholder can purchase additional life insurance? If so, what are the ages?

28. What does a person have to do to include his/her spouse on the insurance policy if he/she were not married when the policy was first taken out? What about the birth or adoption of children?

29. If a person has the option of having premiums paid upon disability, do those premiums ever have to be repaid?

30. Are you covered in case of war?

31. Is a person covered in case of suicide?

32. Does an insurance company have the right to perform an autopsy?

LIFE INSURANCE POLICY

The type of life insurance that I feel would meet my needs is _____

_____because

_____

_____

_____

_____

_____

The cost ranges from $_____ to $_____

LIFE INSURANCE
UNIT IV

ANSWERS TO ASSIGNMENT SHEETS

Assignment Sheet #1 — Completed to the satisfaction of the instructor

Assignment Sheet #2 — Completed to the satisfaction of the instructor

Assignment Sheet #3

A. 4

B. 2

C. 3

D. 1

Assignment Sheet #4 — Completed to the satisfaction of the instructor

Assignment Sheet #5 — Completed to the satisfaction of the instructor

Assignment Sheet #6 — Completed to the satisfaction of the instructor

LIFE INSURANCE
UNIT IV

TEST

NAME _____ SCORE _____

1. Match terms associated with life insurance to their correct definitions. Write the correct numbers in the blanks.

_____a. Time between the date the premium is due and the date that the policy can be canceled for nonpayment

_____b. Person named in the policy to receive the insurance proceeds at the death of the insured

_____c. Money available in cash upon voluntary termination of a policy before it becomes payable by death or maturity

_____d. Provision for certain added benefits that will increase the cost of the policy

_____e. Statement that insured has a temporary policy for a certain length of time (usually one or two years)

_____f. Lifetime protection for the insured and his or her beneficiaries

_____g. Person named in the policy to receive the insurance proceeds at the death of the insured if the person named as beneficiary is no longer living

_____h. Protection for a certain length of time against loss of life

1. Incontestable clause
2. Grace period
3. Term insurance
4. Contingent beneficiary
5. Special clause
6. Cash value
7. Beneficiary
8. Permanent insurance

TEST

2. Match forms of term insurance to their correct descriptions. Write the correct numbers in the blanks.

_____a. Policies guarantee the insured the right to renew the policy without having a new medical examination; benefits are paid at the death of the insured

_____b. Premiums stay the same during the coverage period, but the amount of coverage gets larger each year

_____c. Amount of protection stays the same during the entire time the policy is in effect

_____d. Premiums stay the same during the coverage period, but the amount of coverage becomes smaller

_____e. Policies have a provision that allows the insured to change the policy from term to permanent insurance

1. Convertible term
2. Decreasing term
3. Renewable term
4. Level term
5. Increasing term

3. Match forms of permanent insurance to their correct descriptions. Write the correct numbers in the blanks.

_____a. Protection for life, but policyholders pay premiums only for a certain number of years

_____b. Combination of a decreasing amount of protection with an increasing amount of savings within the policy

_____c. Combination of temporary insurance and savings, with emphasis on savings; savings can be built up in a fixed number of years

1. Limited payment
2. Endowment
3. Straight

4. Match special clauses in life insurance policies to their correct descriptions. Write the correct numbers in the blanks.

_____a. Insured person does not have to pay premium while he or she is totally disabled

_____b. Company automatically pays premiums from the values in the policy if insured misses paying

_____c. Beneficiary receives double the face value of policy if insured dies accidentally

1. Automatic premium loan
2. Premium waiver
3. Double indemnity

TEST

5. Select from the following list types of financial protection that affect need for life insurance coverage. Write an "X" in the blank before each correct answer.

_____a. Religious beliefs

_____b. Job retirement

_____c. Date of birth of policyholder

_____d. Worker's compensation

_____e. Savings and investments

_____f. Veteran's benefits

_____g. College or university attended

_____h. Social security

_____i. Union and/or employer's benefits

6. Select from the following list guidelines to use in purchasing and maintaining life insurance coverage. Write an "X" in the blank before each correct answer.

_____a. Keep policy in safe place

_____b. Evaluate personal needs for insurance to determine amount of insurance needed

_____c. Arrange for a contingent beneficiary only after the age of fifty-five

_____d. Compare insurance policies

_____e. Keep policy hidden and away from other people

_____f. Keep insurance company informed of your address

_____g. Discuss your insurance with your family and other beneficiaries

_____h. Provide life insurance only for the primary breadwinner

_____i. Review your insurance program periodically

_____j. Read insurance policies carefully to understand their provisions

TEST

7. Select from the following list factors that affect the cost of life insurance. Write an "X" in the blank before each correct answer.

_____a. Membership in civic clubs

_____b. Occupation of the insured

_____c. Reserve fund

_____d. Ancestry

_____e. Amount of claims paid

_____f. Operating expenses

_____g. Age of the insured

_____h. Wealth of the community

_____i. Health of the insured

_____j. Company from which insurance is bought

_____k. Occupation of the insured's spouse

_____l. Kind of life insurance needed

_____m. Results of certain blood tests

8. State five examples of ways life insurance benefits are used.

a. _____

b. _____

c. _____

d. _____

e. _____

9. Select from the following list facts about the cash value of an insurance policy. Write an "X" in the blank before each correct answer.

_____a. Cash value can be used to buy fully paid term policy for a certain number of years and days

_____b. Cash value has no value until policyholder dies

_____c. Cash value can be used to buy policy for a smaller amount if premiums cannot be paid

_____d. Cash value can be used as collateral

_____e. Cash value can only be used to pay funeral expenses of policyholder

TEST

10. Select from the following list ways policyholder can receive benefits if premium payments are stopped. Write an "X" in the blank before each correct answer.

    _____a. Payments made to families with children

    _____b. Lump sum payment

    _____c. Extended term insurance

    _____d. Cash payments made on a monthly basis only

    _____e. Reduced paid-up life insurance

    _____f. Deposits to savings and loan companies

    _____g. Income plan

11. Select from the following list factors affecting selection of insurance company by placing an "X" in the appropriate blanks.

    _____a. Ask for other people's opinions of the company's reliability and speed in paying benefits

    _____b. Notice if the quoted price is competitive

    _____c. Ask about opinions that are available

    _____d. Find out all the types of insurance available from one company

    _____e. Select an agent with the ability to explain policies, answer questions, and meet your individual needs

    _____f. Find out if there is an adequate staff to handle problems, even if your agent is not available at the time

    _____g. Investigate the stability of the company

    _____h. Check on the servicing ability of the company

(NOTE: Test questions 12-17 list the assignment sheets. They are an important part of this test. If they have not been completed, check with your instructor.)

11. Evaluate personal knowledge about life insurance.

13. Obtain information about life insurance policies.

14. Select appropriate solutions to a life insurance problem.

15. Determine life insurance needs.

16. Complete a life insurance application.

17. Select appropriate coverage.

LIFE INSURANCE
UNIT IV

ANSWERS TO TEST

(NOTE: It may be helpful to use your blank test to make a test key.)

1. a. 2
   b. 7
   c. 6
   d. 5
   e. 1
   f. 8
   g. 4
   h. 3

2. a. 3
   b. 5
   c. 4
   d. 2
   e. 1

3. (6 points)
   a. 1
   b. 3
   c. 2

4. a. 2
   b. 1
   c. 3

5. b, d, e, f, h, i

6. a, b, d, f, g, i, j

7. b, c, e, f, g, i, j, l, m

8. Answer should include any five of the following

   a. Pay final expenses and debts of the policyholder
   b. Replace some or all of the income a family would lose
   c. Pay for a housekeeper if the homemaker dies
   d. Pay a certain amount of money to a policyholder at a certain age
   e. Guarantee retirement income
   f. Build a fund to use as income or for loans in emergencies while continuing to protect dependents
   g. Provide for education
   h. Provide savings

ANSWERS TO TEST

9. a, c, d

10. b, c, e, g

11. a, b, c, d, e, f

12. Completed to the satisfaction of the instructor

13. Completed to the satisfaction of the instructor

14. Completed to the satisfaction of the instructor

15. Completed to the satisfaction of the instructor

16. Completed to the satisfaction of the instructor

17. Completed to the satisfaction of the instructor

PROPERTY INSURANCE
UNIT V

UNIT OBJECTIVE

After completing this unit, the student should be able to list types of property insurance. The student should also be able to obtain information from an insurance policy and make a household inventory. This knowledge will be shown by completing assignment sheets and unit test with a minimum score of 85 percent.

SPECIFIC OBJECTIVES

After completing this unit, the student should be able to

1. Match terms associated with real and personal property insurance to their correct definitions.
2. List items for which property owners should carry insurance.
3. List types of property insurance coverage.
4. Select from a list characteristics of package policies.
5. Match types of liability insurance to their descriptions.
6. Match parts of a property insurance policy to their descriptions.
7. Select from a list factors that determine cost of property insurance.
8. Select from a list purposes of having an inventory.
9. Select from a list guidelines for making a household inventory.
10. Evaluate statements about property insurance.
11. Obtain information from a property insurance policy.
12. Make a household inventory.

PROPERTY INSURANCE
UNIT V

SUGGESTED ACTIVITIES

I. Unit contents

A. Objective sheet

B. Suggested activities

C. Information sheet

D. Assignment sheets

1. Assignment Sheet #1 — Evaluate Statements About Property Insurance

2. Assignment Sheet #2 — Obtain Information from a Property Insurance Policy

3. Assignment Sheet #3 — Make a Household Inventory

4. Assignment Sheet #4 — Select Appropriate Coverage

E. Answers to assignment sheets

F. Test

G. Answers to test

II. Instructor's Guide

A. Obtain material to supplement unit.

B. Provide students with objective sheet.

C. Discuss unit and specific objectives.

- Introduce unit by inviting someone who has suffered property loss to speak to class on the value of his or her insurance.

D. Provide students with information and assignment sheets.

E. Discuss information and assignment sheets.

1. Point out the items for which property owners need insurance; use Information Sheet, Section II.

2. Introduce the types of property insurance coverage available; use Information Sheet, Sections III, IV, V, and Assignment Sheet #1.

- Invite an agent who handles property insurance to discuss coverages most needed and factors that affect the need for property insurance.

- Collect pamphlets from several insurance companies. Have students locate and compare the types of coverages offered.

SUGGESTED ACTIVITIES

3. Point out the parts of a typical property insurance policy; use Information Sheet, Section VI, and Assignment Sheet #2.

   - Collect policies for students to use while completing Assignment Sheet #2 or make copies of one policy. Emphasize that this assignment leads to basic consumer protection: the better informed a consumer is, the more protection that consumer has.

   - Use an actual policy and mark the parts listed in Information Sheet, Section VI for students.

4. Review factors that affect the cost of property insurance for the consumer; use Information Sheet, Section VII.

   - Ask insurance agent to show students how to comparison shop for property insurance.

5. Emphasize the necessity of maintaining a personal and household inventory and its relationship to property insurance; use Information Sheet, Sections VIII and IX, and Assignment Sheet #3.

   - Assign students to check serial numbers on items in their home.

6. Emphasize the importance of shopping around to find the insurance coverage that best meets the individual's needs; use Information Sheet, Sections II and VII, and Assignment Sheet #4.

   - Have students interview an agent to determine what type of coverage best suits their needs as homeowners.

F. Develop appropriate learning activities for special needs students.

G. Give test.

H. Reteach and retest if necessary.

III. Unit references

A. Blackwell, Dorothy G. *Household Inventory.* Oklahoma State University Extension Facts, No. FLT 4311. Stillwater, Oklahoma: Oklahoma State University, 1979.

B. Blackwell, Dorothy G. *Property and Personal Liability.* Oklahoma State University Extension Facts, No. FLT 4111. Stillwater Oklahoma: Oklahoma State University, 1979.

C. Boardman, Charles C., et al. *Consumer Education*, rev. ed. Encino, California: Glencoe Publishing Co., Inc., 1979.

D. Campbell, Sally R. *The Confident Consumer.* South Holland, Illinois: Goodheart-Willcox Company, Inc., 1982.

E. Kates, Donna. *Consumer Education.* Stillwater, Oklahoma: State Department of Vocational and Technical Education/Curriculum and Instructional Materials Center, 1983.

PROPERTY INSURANCE
UNIT V

INFORMATION SHEET

I. Terms and definitions

A. Personal property — Household contents and other personal belongings used, owned, worn, or carried by the residents

B. Real property — Land and things permanently attached to it

EXAMPLES: House, garage

C. Perils — Dangers that lead to economic loss

(NOTE: Insurance companies offer many different plans to purchase insurance to insure properties against certain perils.)

D. Policy — Written contract in which the insurance company guarantees to insure a person and/or family against a specified loss, damage, and/or injury in return for the payment of a premium

E. Appreciate — Increase in value

F. Depreciate — Decrease in value

G. Claim — Request of payments for losses

H. Premium — Amount of money paid by person for insurance coverage

II. Items for which property owners should carry insurance

A. Home and contents

B. Appurtenant structures

(NOTE: *Appurtenant* is a term often used in insurance industry to refer to real property other than the actual house.)

EXAMPLES: Detached garage, guest house, shed

C. Other personal property

EXAMPLES: Bicycle, trombone, jewelry, coin collection

D. Personal liability

EXAMPLE: Injury to a person on your property

INFORMATION SHEET

III. Types of property insurance coverage (Assignment Sheet #1)

A. Package policy

(NOTE: Package policies generally include most types of insurance coverages. Insurance covering damages caused by earthquake or flood is usually not included in package policies.)

B. Liability

C. Fire and contents of structure

(NOTE: A policy to cover contents of structure is added to the basic fire insurance. Fire policies insure only the structure unless specified.)

D. Flood

E. Crime

(NOTE: This type of policy is important to insure against the loss of such things as valuable coin collections.)

F. Earthquake

G. Extended coverage

EXAMPLES: Riot, civil commotion, aircraft, or automobile damage

H. Additional living expense

(NOTE: If the home cannot be occupied because of damage caused by a peril, this policy will pay part or all of the extra expenses for living elsewhere until the home can be occupied again.)

I. Renter

IV. Characteristics of package policies

(NOTE: Package policies are most generally known as homeowners' policies and are the most common type of property insurance. Renters are also able to buy package policies on their personal property.)

A. Provide for a combination of coverages

B. Provide for broad coverage at low cost

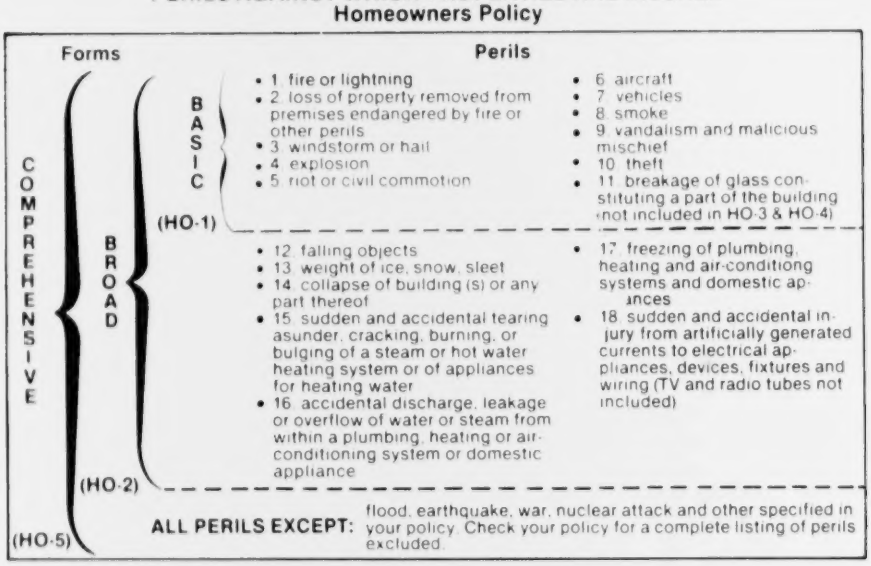
INFORMATION SHEET

C. Provide for basic, broad, or comprehensive coverage

(NOTE: The difference in the coverage is due to the number of perils insured against.)

EXAMPLE:

PERILS AGAINST WHICH PROPERTIES ARE INSURED
Homeowners Policy


Forms
Perils
COMPREHENSIVE
BASIC
(HO-1)
BROAD
(HO-2)
(HO-5)
• 1. fire or lightning
• 2. loss of property removed from premises endangered by fire or other perils
• 3. windstorm or hail
• 4. explosion
• 5. riot or civil commotion
• 6. aircraft
• 7. vehicles
• 8. smoke
• 9. vandalism and malicious mischief
• 10. theft
• 11. breakage of glass constituting a part of the building (not included in HO-3 & HO-4)
• 12. falling objects
• 13. weight of ice, snow, sleet
• 14. collapse of building (s) or any part thereof
• 15. sudden and accidental tearing asunder, cracking, burning, or bulging of a steam or hot water heating system or of appliances for heating water
• 16. accidental discharge, leakage or overflow of water or steam from within a plumbing, heating or air-conditioning system or domestic appliance
• 17. freezing of plumbing, heating and air-conditiong systems and domestic appliances
• 18. sudden and accidental injury from artificially generated currents to electrical appliances, devices, fixtures and wiring (TV and radio tubes not included)
ALL PERILS EXCEPT: flood, earthquake, war, nuclear attack and other specified in your policy. Check your policy for a complete listing of perils excluded.

Used from *Consumer Education* with permission of Glencoe Publishing Company, Mission Hills, California.

(NOTE: The information given in the above chart is concerning coverage from Section I of the insurance policy. Liability coverage is provided in most homeowner's policies and is addressed in Section II of the policy.)

V. Types of liability insurance

A. Personal liability — Protects insured against claims arising from bodily injury to others or damage to property of others; no claim is paid by insurance company unless it has been established that the insured is legally liable

B. Medical payments — Protect the homeowner from accidental injury claims of others arising from actions of homeowner's family members or pets either on or off the homeowner's property; payment is made regardless of who is at fault

INFORMATION SHEET

C. Property liability — Pays for minor damages to property accidentally caused by any member of the insured family; payment is made regardless of who is at fault

VI. Parts of a property insurance policy (Assignment Sheet #2)

(NOTE: Most property insurance policies will have these seven parts.)

A. Declarations — Listing of personal information that is given when applying for the policy; gives length of time policy covers and maximum payment company will make under each coverage; describes property that is insured

B. Insuring agreement — Company's promise to pay any losses covered by the policy

C. Definitions — Information about the terms found in the policy

D. Coverage — Information as to what the policy will cover

(NOTE: In this section information is given as to which perils are covered.)

E. Exclusions — Listing of perils for which the company will not pay

(NOTE: Injuries or damages caused intentionally are normally excluded.)

F. Conditions — Clarification of the rights and obligations of company and policyholder

(NOTE: This section gives information about how to collect after a loss, payments, and termination of the contract.)

G. Endorsements — Any additions made to the contract

VII. Factors that determine cost of property insurance

A. Replacement value of the home

(NOTE: Many homes are underinsured. It is very important to keep the home adequately insured. Most homes will appreciate in value. Very few depreciate.)

B. Materials used in construction

EXAMPLE: Rates may be higher for a frame house than for a brick house.

C. Access to adequate fire protection

EXAMPLE: Distance from fire hydrant

D. Length of time policy covers

INFORMATION SHEET

E. Deductible clauses

(NOTE: Premiums increase as amount of deductible decreases.)

F. Number of claims made to the insurance company

EXAMPLE: When the size and number of claims and dollar cost paid out rise, premiums rise.

VIII. Purposes of having an inventory (Assignment Sheet #3)

A. Planning how much insurance to carry

B. Determining net worth

C. Filing a claim

D. Planning future needs and spending

IX. Guidelines for making a household inventory (Assignment Sheet #3)

A. List each item

(NOTE: Taking pictures of some of the items on your inventory may be helpful. Pictures can provide proof of your valuables.)

B. Indicate quantity of each item

EXAMPLE: Three lamps

C. Indicate room where the item is located

D. Indicate date that item was purchased

E. Indicate original purchase price

F. Indicate approximate value now

G. Keep inventory up-to-date

EXAMPLES: Delete discarded items; add new items; change replacement costs.

PROPERTY INSURANCE
UNIT V

ASSIGNMENT SHEET #1 — EVALUATE STATEMENTS ABOUT PROPERTY INSURANCE

NAME _____ SCORE _____

Homeowners and renters need protection against perils that could destroy their belongings. To guard against these risks and to prevent large losses, many people buy property insurance.

Think about the property that you and your family own. There are many ways it could be damaged, stolen, or destroyed. For example, a fire or a tornado could destroy everything.

Respond to the following statements. Indicate whether you agree or disagree and give the reason why.

A. If people are careful, there is no need for them to buy insurance.

Do you agree or disagree? _____

Why? _____

_____

_____

B. Someone who rents an apartment does not need insurance.

Do you agree or disagree? _____

Why? _____

_____

_____

C. Taking a household inventory is more trouble than it is worth.

Do you agree or disagree? _____

Why? _____

_____

_____

ASSIGNMENT SHEET #1

D. In the long run, property insurance is really not worth the money.

Do you agree or disagree? _____

Why? _____

_____

_____

PROPERTY INSURANCE
UNIT V

ASSIGNMENT SHEET #2 — OBTAIN INFORMATION FROM A PROPERTY INSURANCE POLICY

NAME _____ SCORE _____

The most important item when buying insurance is the insurance policy. It spells out the rights and obligations of the insurance company and the person buying the insurance. The insured person should read the policy very carefully.

The policy should have a section called definitions. Here many key terms used in the policy are defined.

Using information from the insurance policy provided, answer the following questions.

A. Answer the following questions about the information on the declaration sheet.

1. What is the period of the policy? _____
2. Where is the residence premise covered by this policy? _____

   _____
3. What is the coverage on the following items?
   a. Dwelling _____
   b. Other structures _____
   c. Personal property _____
   d. Loss of use _____
   e. Personal liability (each occurrence) _____
   f. Medical payments to others (each person) _____
4. What is the name of the authorized representative? _____

   _____
5. What year was the home constructed? _____
6. What type of house is being insured? _____
7. How many feet is the house from a water hydrant? _____
8. How many miles is the house from the fire department? _____

ASSIGNMENT SHEET #2

B. Gather information about the following terms.

(NOTE: Briefly summarize your answers.)

1. Bodily injury — _____

2. Business — _____

3. Insured — _____

4. Insured location — _____

5. Motor vehicle — _____

6. Property damage — _____

7. Residence employee — _____

8. Residence premises — _____

ASSIGNMENT SHEET #2

C. Answer the following questions about Section I of the insurance policy.

(NOTE: Briefly summarize your answers.)

1. COVERAGE A — What materials and supplies are insured? _____

_____

2. COVERAGE B — What structures are not covered? _____

_____

_____

3. COVERAGE C — What property is not covered? List four. _____

_____

_____

_____

_____

_____

4. COVERAGE D — What is not covered by Section D? _____

_____

_____

5. ADDITIONAL COVERAGES — What additional coverage is provided? List four.

_____

_____

_____

_____

_____

ASSIGNMENT SHEET #2

6. What perils does this insurance policy cover? Name ten. _____

7. What perils are not covered in this insurance policy? Name five. _____

8. What are the conditions of the policy? List nine (topic headings only). _____

ASSIGNMENT SHEET #2

D. Answer the following questions about Section II concerning liability coverage of this insurance policy.

1. COVERAGE E — If there is a lawsuit, who provides the defense and selects the counsel? _____

2. COVERAGE F — Within what length of time after an accident will the insurance company pay for medical expenses? _____

E. What additional coverages are provided in Section II concerning liability coverage? List topic headings only. _____

_____

_____

_____

_____

_____

_____

F. Answer questions about Section I and Section II concerning conditions.

1. How may the insured cancel the insurance policy? _____

_____

_____

2. Under what circumstances can the insurance company cancel the policy? _____

_____

_____

_____

_____

_____

ASSIGNMENT SHEET #2

Homeowners Policy

A MULTIPLE LINE
STOCK COMPANY

Cimarron Insurance Company, Inc.

101 North Main Street

Cimarron Kansas

THIS POLICY JACKET WITH THE HOMEOWNERS POLICY FORM, DECLARATIONS PAGE AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETES THE ABOVE NUMBERED POLICY.

ASSIGNMENT SHEET #2

YOUR HOMEOWNERS POLICY—QUICK REFERENCE

DECLARATIONS PAGE

Your Name
Loction of Your Residence
Policy Period
Coverages
Amounts of Insurance
Deductible

		Beginning On Page
	AGREEMENT	1
	DEFINITIONS	1
SECTION I YOUR PROPERTY	COVERAGES Property Coverages Loss of Use Additional Coverages Debris Removal Trees, Shrubs and Plants Credit Card	2
	PERILS INSURED AGAINST	4
	EXCLUSIONS	6
	CONDITIONS Insurable Interest Duties After Loss Loss Settlement Mortgage Clause	6

		Beginning On Page
SECTION II YOUR LIABILITY	COVERAGES Personal Liability Medical Payments to Others	9
	EXCLUSIONS	9
	ADDITIONAL COVERAGES Claim Expenses First Aid Expenses Damage to Property of Others	10
	CONDITIONS Limit of Liability Duties After Loss	11
SECTION I and SECTION II	CONDITIONS Policy Period Cancellation Non-Renewal	12

ASSIGNMENT SHEET #2

Cimarron Insurance Company, Inc.

101 North Main Street
CIMARRON, KANSAS

HOMEOWNERS POLICY
DECLARATIONS

SPECIMEN

No. H

Named Insured and Mailing Address (No. and Street, Town or City, County, State, Zip Code)

John Doe
Route 1
Anywhere, Oklahoma

Policy Period: Years | From: 1 May 2, 1982 | To: May 2, 1983 | 12:01 A.M. Standard Time at the residence premises

The residence premises covered by this policy is located at the above address unless otherwise stated (No. and Street, Town or City, County, State, Zip Code)
S.E. 10.68 acres of lot 8, section 27, 3N, 8E, 1½ miles from Anywhere, Oklahoma
Coverage is provided where a premium or limit of liability is shown for the coverage.

Coverages and Limit of Liability	Section I Coverages A Dwelling	B Other Structures	C Personal Property	D Loss of Use	Section II Coverages E Personal Liability Each occurrence	F Medical Payments to Others Each person
	$ 24,000.	$ 2,400.	$ 12,000.	$ 4,800.	$ 25,000.	$ 500.
Premium	Basic Policy Premium	Additional Premiums			Total Prepaid Premium	Premium if paid in installments	Payable At Inception	Payable At each subsequent anniversary
	$ 299.	$	$	$	$ 299.	$	$	$
				Premium for Scheduled Personal Property	$	$	$	$
				Combined Premium	$ 299.	$	$	$

Form and Endorsements made part of this Policy at time of issue (Insert Number(s) and Edition Date(s)): Form HO 2 (7-77) Endorsements: HO 300 (5-81)

DEDUCTIBLE	SECTION I	OTHER
	$ 100.	$

In case of a loss under Section I, we cover only that part of the loss over the deductible stated.

Section II Other insured locations: (No. and Street, Town or City, County, State, Zip Code) N

Mortgagee Name and address: NONE

Special State Provisions
S. Car. Valuation Clause (Cov. A) $

Countersigned 2 May 1983
(29 April 1983 ps)

Oklahoma City, Oklahoma
J.J. McLoughlin Insurance, LTD.

By J.J. McLoughlin
Authorized Representative

RATING INFORMATION

NUMBER OF FAMILIES Not Townhouse or Rowhouse — Number of Families: 1 2 3 4 5-8 9 or over. Townhouse or Rowhouse — Family group rating: HO-4 Not Rated: No. HO-6 Rated: Yes. If YES Number of Families — HO-4 and HO-6 Not rented to others: 1-4 5-10 11-40 over 40. HO-6 Rented to others: 1-4 5-10 11-40 over 40. If NO Number of Families. Annual Fire E.C. Rate. Year of Constr.

1977

CONSTRUCTION Wood Frame. Masonry. Masonry Veneer. Fire Resistive. Mobile Homes Not Anchored to Foundation. Mobile Homes Anchored to Foundation. Mobile Homes Not Anchored to Foundation. Mobile Homes Anchored to Foundation. Fire Rated: Yes. No.

PROTECTION Not more than 30 feet from hydrant. Not more than 5 miles from Fire Dept. South side. Inside City limits. Inside Protected Suburb. Inside Fire District. Fire District or Town.

ZONE PREMIUM GR NO DEDUCTIBLE Section I $ Other $

STATISTICAL REPORTING INFORMATION

	Premium Prepaid	If paid in Installments	Payable at Inception	Each Anniversary
Snowmobiles	$	$	$	$
Watercraft	$	$	$	$
Outboard Motor	$	$	$	$
ALL OTHER PREMIUMS (except Scheduled Personal Property)	$	$	$	$

(1) the residence premises (2) business property on or contained in the residence premises (3) the residence premises by any person other than business farm employees (4) the insured has no full time residence employee(s) (5) the insured has no additional premises or location(s) insured under this policy for which coverage is desired. Exceptions, if any, listed (Insert Item Number(s)):

*Absence of an entry means "no exceptions"

THIS DECLARATIONS PAGE, WITH POLICY JACKET, HOMEOWNERS POLICY FORM, AND ENDORSEMENTS IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETES THE ABOVE NUMBERED HOMEOWNERS POLICY.

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ASSIGNMENT SHEET #2

AGREEMENT

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

DEFINITIONS

Throughout this policy, "you" and "your" refer to the "named insured" shown in the Declarations and the spouse if a resident of the same household, "we," "us" and "our" refer to the Company providing this insurance. In addition, certain words and phrases are defined as follows:

1. **"bodily injury"** means bodily harm, sickness or disease, including required care, loss of services and death resulting therefrom.
2. **"business"** includes trade, profession or occupation.
3. **"insured"** means you and the following residents of your household:
   a. your relatives:
   b. any other person under the age of 21 who is in the care of any person named above.

   Under Section II, **"insured"** also means:
   c. with respect to animals or watercraft to which this policy applies, any person or organization legally responsible for these animals or watercraft which are owned by you or any person included in 3a or 3b. A person or organization using or having custody of these animals or watercraft in the course of any **business,** or without permission of the owner is not an **insured;**
   d. with respect to any vehicle to which this policy applies, any person while engaged in your employment or the employment of any person included in 3a or 3b.
4. **"insured location"** means:
   a. the **residence premises;**
   b. the part of any other premises, other structures, and grounds, used by you as a residence and which is shown in the Declarations or which is acquired by you during the policy period for your use as a residence;
   c. any premises used by you in connection with the premises included in 4a or 4b;
   d. any part of a premises not owned by any **insured** but where any **insured** is temporarily residing;
   e. vacant land owned by or rented to any **insured** other than farm land;
   f. land owned by or rented to any **insured** on which a one or two family dwelling is being constructed as a residence for any insured;
   g. individual or family cemetery plots or burial vaults of any **insured;**
   h. any part of a premises occasionally rented to any **insured** for other than **business** purposes.
5. **"motor vehicle"** means:
   a. a motorized land vehicle designed for travel on public roads or subject to motor vehicle registration. A motorized land vehicle in dead storage on an **insured location** is not a **motor vehicle.**
   b. a trailer or semi-trailer designed for travel on public roads and subject to motor vehicle registration. A boat, camp, home or utility trailer not being towed by or carried on a vehicle included in 5a is not a **motor vehicle;**

ASSIGNMENT SHEET #2

c. a motorized golf cart, snowmobile, or other motorized land vehicle owned by any **insured** and designed for recreational use off public roads, while off an **insured location.** A motorized golf cart while used for golfing purposes is not a **motor vehicle;**

d. any vehicle while being towed by or carried on a vehicle included in 5a, 5b or 5c.

6. **"property damage"** means physical injury to or destruction of tangible property, including loss of use of this property.

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7. **"residence employee"** means an employee of any **insured** who performs duties in connection with the maintenance or use of the **residence premises,** including household or domestic services, or who performs duties elsewhere of a similar nature not in connection with the **business** of any **insured.**

8. **"residence premises"** means the one or two family dwelling, other structures, and grounds or that part of any other building where you reside and which is shown as the "residence premises" in the Declarations.

SECTION I — COVERAGES

COVERAGE A
DWELLING

We cover:

a. the dwelling on the **residence premises** shown in the Declarations used principally as a private residence, including structures attached to the dwelling; and

b. materials and supplies located on or adjacent to the **residence premises** for use in the construction, alteration or repair of the dwelling or other structures on the **residence premises.**

COVERAGE B
OTHER
STRUCTURES

We cover other structures on the **residence premises,** separated from the dwelling by clear space. Structures connected to the dwelling by only a fence, utility line, or similar connection are considered to be other structures.

We do not cover other structures:

a. used in whole or in part for **business** purposes; or

b. rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage.

COVERAGE C
PERSONAL
PROPERTY

We cover personal property owned or used by any **insured** while it is anywhere in the world. At your request, we will cover personal property owned by others while the property is on the part of the **residence premises** occupied by any **insured.** In addition, we will cover at your request, personal property owned by a guest or a **residence employee,** while the property is in any residence occupied by any **insured.**

ASSIGNMENT SHEET #2

Our limit of liability for personal property usually situated at any **insured's** residence, other then the **residence premises,** is 10% of the limit of liability for Coverage C, or $1000, whichever is greater. Personal property in a newly acquired principal residence is not subject to this limitation for the 30 days immediately after you begin to move the property there.

Special Limits of Liability. These limits do not increase the Coverage C limit of liability. The special limit for each following numbered category is the total limit for each occurrence for all property in that numbered category.

1. $100 on money, bank notes, bullion, gold other than goldware, silver other than silverware, platinum, coins and medals.
2. $500 on securities, accounts, deeds, evidences of debt, letters of credit, notes other than bank notes, manuscripts, passports, tickets and stamps.
3. $500 on watercraft, including their trailers, furnishings, equipment and outboard motors.
4. $500 on trailers not used with watercraft.
5. $500 on grave markers.
6. $500 for loss by theft of jewelry, watches, furs, precious and semi-precious stones.
7. $1000 for loss by theft of silverware, silver-plated ware, goldware, gold-plated ware and pewterware.
8. $1000 for loss by theft of guns.

Property Not Covered. We do not cover:

1. articles separately described and specifically insured in this or any other insurance;
2. animals, birds, or fish;
3. motorized land vehicles except those used to service an **insured's** residence which are not licensed for road use;
4. any device or instrument, including any accessories or antennas, for the transmitting, recording, receiving or reproduction of sound which is operated by power from the electrical system of a **motor vehicle,** or any tape, wire, record, disc or other medium for use with any such device or instrument while any of this property is in or upon a **motor vehicle;**
5. aircraft and parts;
6. property of roomers, boarders and other tenants, except property of roomers and boarders related to any **insured;**
7. property contained in an apartment regularly rented or held for rental to others by any **insured;**
8. property rented or held for rental to others away from the **residence premises;**
9. **business** property in storage or held as a sample or for sale or delivery after sale;
10. **business** property pertaining to a **business** actually conducted on the **residence premises;**
11. **business** property away from the **residence premises.**

COVERAGE D
LOSS OF USE

The limit of liability for Coverage D is the total limit for all the following coverages.

1. **Additional Living Expense.** If a loss covered under this Section makes the **residence premises** uninhabitable, we cover any necessary increase in living expenses incurred by you so that your household can maintain its normal standard of living.

ASSIGNMENT SHEET #2

Payment shall be for the shortest time required to repair or replace the premises or, if you permanently relocate, the shortest time required for your household to settle elsewhere. This period of time is not limited by expiration of this policy.

2. **Fair Rental Value.** If a loss covered under this Section makes that part of the **residence premises** rented to others or held for rental by you uninhabitable, we cover its fair rental value. Payment shall be for the shortest time required to repair or replace the part of the premises rented or held for rental. This period of time is not limited by expiration of this policy. Fair rental value shall not include any expense that does not continue while that part of the **residence premises** rented or held for rental is uninhabitable.

3. **Prohibited Use.** If a civil authority prohibits you from use of the **residence premises** as a result of direct damage to neighboring premises by a Peril Insured Against in this policy, we cover any resulting Additional Living Expense and Fair Rental Value loss for a period not exceeding two weeks during which use is prohibited.

We do not cover loss or expense due to cancellation of a lease or agreement.

ADDITIONAL COVERAGES

1. **Debris Removal.** We will pay the reasonable expense incurred by you in the removal of debris of covered property provided coverage is afforded for the peril causing the loss. Debris removal expense is included in the limit of liability applying to the damaged property. When the amount payable for the actual damage to the property plus the expense for debris removal exceeds the limit of liability for the damaged property, an additional 5% of that limit of liability will be available to cover debris removal expense.

2. **Reasonable Repairs.** We will pay the reasonable cost incurred by you for necessary repairs made solely to protect covered property from further damage provided coverage is afforded for the peril causing the loss. This coverage does not increase the limit of liability applying to the property being repaired.

3. **Trees, Shrubs and Other Plants.** We cover trees, shrubs, plants or lawns, on the **residence premises,** for loss caused by the following Perils Insured Against: Fire or lightning, Explosion, Riot or civil commotion, Aircraft, Vehicles not owned or operated by a resident of the **residence premises,** Vandalism or malicious mischief or Theft. The limit of liability for this coverage shall not exceed 5% of the limit of liability that applies to the dwelling for all trees, shrubs, plants and lawns nor more than $500 for any one tree, shrub or plant. We do not cover property grown for **business** purposes.

4. **Fire Department Service Charge.** We will pay up to $250 for your liability assumed by contract or agreement for fire department charges incurred when the fire department is called to save or protect covered property from a Peril Insured Against. No deductible applies to this coverage.

5. **Property Removed.** Covered property while being removed from a premises endangered by a Peril Insured Against and for not more than 30 days while removed is covered for direct loss from any cause. This coverage does not change the limit of liability applying to the property being removed.

6. **Credit Card, Forgery and Counterfeit Money.** We will pay up to $500 for:

   a. the legal obligation of any **insured** to pay because of the theft or unauthorized use of credit cards issued to or registered in any **insured's** name.

   We do not cover use by a resident of your household, a person who has been entrusted with the credit card, or any person if any **insured** has not complied with all terms and conditions under which the credit card is issued.

ASSIGNMENT SHEET #2

b. loss to any **insured** caused by forgery or alteration of any check or negotiable instrument; and

c. loss to any **insured** through acceptance in good faith of counterfeit United States or Canadian paper currency.

We do not cover loss arising out of **business** pursuits or dishonesty of any **insured.**

No deductible applies to this coverage.

Defense:

a. We may make any investigation and settle any claim or suit that we decide is appropriate. Our obligation to defend any claim or suit ends when the amount we pay for the loss equals our limit of liability.

b. If a claim is made or a suit is brought against any **insured** for liability under the Credit Card coverage, we will provide a defense at our expense by counsel of our choice.

c. We have the option to defend at our expense any **insured** or any **insured's** bank against any suit for the enforcement of payment under the Forgery coverage.

SECTION I — PERILS INSURED AGAINST

We insure for direct loss to the property described in Coverages A, B and C caused by:

1. **Fire or lightening.**
2. **Windstorm or hail.**

This peril does not include loss to the interior of a building or the property contained in a building caused by rain, snow, sleet, sand or dust unless the direct force of wind or hail damages the building causing an opening in a roof or wall and the rain, snow, sleet, sand or dust enters through this opening.

This peril includes loss to watercraft and their trailers, furnishings, equipment, and outboard motors, only while inside a fully enclosed building.

3. **Explosion.**
4. **Riot or civil commotion.**
5. **Aircraft,** including self-propelled missiles and spacecraft.
6. **Vehicles.**

This peril does not include loss to a fence, driveway or walk caused by a vehicle owned or operated by a resident of the **residence premises.**

7. **Smoke,** meaning sudden and accidental damage from smoke.

This peril does not include loss caused by smoke from agricultural smudging or industrial operations.

8. **Vandalism or malicious mischief.**

This peril does not include loss to property on the **residence premises** if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

9. **Theft,** including attempted theft and loss of property from a known location when it is likely that the property has been stolen.

This peril does not include loss caused by theft:

a. committed by any **insured;**

b. in or to a dwelling under construction, or of materials and supplies for use in the construction until the dwelling is completed and occupied; or

c. from any part of a **residence premises** rented by an **insured** to other than an **insured.**

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This peril does not include loss caused by theft that occurs away from the **residence premises** of:

a. property while at any other residence owned, rented to, or occupied by any **insured,** except while any **insured** is temporarily residing there. Property of a student who is an **insured** is covered while at a residence away from home if the student has been there at any time during the 45 days immediately before the loss:

b. unattended property in or on any **motor vehicle** or trailer, other than a public conveyance, unless there is forcible entry into the vehicle while all its doors, windows and other openings are closed and locked and there are visible marks of the forcible entry; or the vehicle is stolen and not recovered within 30 days. Property is not unattended when the **insured** has entrusted the keys of the vehicle to a custodian;

c. watercraft, including it furnishings, equipment and outboard motors. Other property in or on any private watercraft is covered if the loss results from forcible entry into a securely locked compartment and there are visible marks of the forcible entry; or

d. trailers and campers.

10. **Breakage of glass or safety glazing material** which is part of a building, storm door or storm window.

    This peril does not include loss on the **residence premises** if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant.

11. **Falling objects.**

    This peril does not include loss to the interior of a building or property contained in the building unless the roof or an exterior wall of the building is first damaged by a falling object. Damage to the falling object itself is not included.

12. **Weight of ice, snow or sleet** which causes damage to a building or property contained in the building.

    This peril does not include loss to an awning, fence, patio, pavement, swimming pool, foundation, retaining wall, bulkhead, pier, wharf, or dock.

13. **Collapse of a building or any part of a building.**

    This peril does not include loss to an awning, fence, patio, pavement, swimming pool, underground pipe, flue, drain, cesspool, septic tank, foundation, retaining wall, bulkhead, pier, wharf or dock unless the loss is a direct result of the collapse of a building. Collapse does not include settling, cracking, shrinking, bulging or expansion.

14. **Accidental discharge or overflow of water or steam** from within a plumbing, heating or air conditioning system or from within a household appliance. We also pay for tearing out and replacing any part of the building on the **residence premises** necessary to repair the system or appliance from which the water or steam escaped.

    This peril does not include loss:

    a. to a building caused by continuous or repeated seepage or leakage;

    b. on the **residence premises,** if the dwelling has been vacant for more than 30 consecutive days immediately before the loss. A dwelling being constructed is not considered vacant;

    c. to the system or appliance from which the water or steam escaped;

    d. caused by or resulting from freezing; or

    e. on the **residence premises** caused by accidental discharge or overflow which occurs off the **residence premises.**

15. **Sudden and accidental tearing apart, cracking, burning or bulging** of a steam or hot water heating system, an air conditioning system, or an appliance for heating water.

We do not cover loss caused by or resulting from freezing under this peril.

16. **Freezing** of a plumbing, heating or air conditioning system or of a household appliance.

    This peril does not include loss on the **residence premises** while the dwelling is vacant, unoccupied or being constructed, unless you have reasonable care to:

    a. maintain heat in the building; or

    b. shut off the water supply and drain the system and appliances of water.

17. **Sudden and accidental damage from artificially generated electrical current.**

    This peril does not include loss to a tube, transistor or similar electronic components.

SECTION I — EXCLUSIONS

We do not cover loss resulting directly or indirectly from:

1. **Ordinance or Law,** meaning enforcement of any ordinance or law regulating the construction, repair, or demolition of a building or other structure, unless specifically provided under this policy.

2. **Earth Movement.** Direct loss by fire, explosion, theft, or breakage of glass or safety glazing materials resulting from earth movement is covered.

3. **Water Damage,** meaning:

    a. flood, surface water, waves, tidal water, overflow of a body of water, or spray from any of these, whether or not driven by wind;

    b. water which backs up through sewers or drains; or

    c. water below the surface of the ground including water which exerts pressure on, or seeps or leaks through a building, sidewalk, driveway, foundation, swimming pool or other structure.

    Direct loss by fire, explosion or theft resulting from water damage is covered.

4. **Power Interruption,** meaning the interruption of power or other utility service if the interruption takes place away from the **residence premises.** If a Peril Insured Against ensues on the **residence premises,** we will pay only for loss caused by the ensuing peril.

5. **Neglect,** meaning neglect of the **insured** to use all reasonable means to save and preserve property at and after the time of a loss, or when property is endangered by a Peril Insured Against.

6. **War,** including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.

7. **Nuclear Hazard,** to the extent set forth in the Nuclear Hazard Clause of Section I — Conditions.

SECTION I — CONDITIONS

1. **Insurable Interest and Limit of Liability.** Even if more than one person has an insurable interest in the property covered, we shall not be liable:

    a. to the **insured** for an amount greater than the **insured's** interest; nor

    b. for more than the applicable limit of liability.

ASSIGNMENT SHEET #2

2. **Your Duties After Loss.** In case of a loss to which this insurance may apply, you shall see that the following duties are performed:

   a. give immediate notice to us or our agent, and in case of theft also to the police. In case of loss under the Credit Card coverage also notify the credit card company;

   b. protect the property from further damage, make reasonable and necessary repairs required to protect the property, and keep an accurate record of repair expenditures;

   c. prepare an inventory of damaged personal property showing in detail, the quantity, description, actual cash value and amount of loss. Attach to the inventory all bills, receipts and related documents that substantiate the figures in the inventory;

   d. exhibit the damaged property as often as we reasonably require and submit to examination under oath;

   e. submit to us, within 60 days after we request, your signed, sworn statement of loss which sets forth, to the best of your knowledge and belief:

      (1) the time and cause of loss;

      (2) interest of the **insured** and all others in the property involved and all encumbrances on the property;

      (3) other insurance which may cover the loss;

      (4) changes in title or occupancy of the property during the term of the policy;

      (5) specifications of any damaged building and detailed estimates for repair of the damage;

      (6) an inventory of damaged personal property described in 2c;

      (7) receipts for additional living expenses incurred and records supporting the fair rental value loss;

      (8) evidence or affidavit supporting a claim under the Credit Card, Forgery and Counterfeit Money coverage, stating the amount and cause of loss.

3. **Loss Settlement.** Covered property losses are settled as follows:

   a. Personal property and structures that are not buildings at actual cash value at the time of loss but not exceeding the amount necessary to repair or replace;

   b. Carpeting, domestic appliances, awnings, outdoor antennas and outdoor equipment, whether or not attached to buildings, at actual cash value at the time of loss but not exceeding the amount necessary to repair or replace;

   c. Buildings under Coverage A or B at replacement cost without deduction for depreciation, subject to the following:

      (1) If at the time of loss the amount of insurance in this policy on the damaged building is 80% or more of the full replacement cost of the building immediately prior to the loss, we will pay the cost of repair or replacement, without deduction for depreciation, but not exceeding the smallest of the following amounts:

         (a) the limit of liability under this policy applying to the building;

         (b) the replacement cost of that part of the building damaged for equivalent construction and use on the same premises; or

         (c) the amount actually and necessarily spent to repair or replace the damaged building.

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(2) If at the time of loss the amount of insurance in this policy on the damaged building is less than 80% of the full replacement cost of the building immediately prior to the loss, we will pay the larger of the following amounts, but not exceeding the limit of liability under this policy applying to the building:

(a) the actual cash value of that part of the building damaged; or

(b) that proportion of the cost to repair or replace, without deduction for depreciation, of that part of the building damaged, which the total amount of insurance in this policy on the damaged building bears to 80% of the replacement cost of the building.

(3) In determining the amount of insurance required to equal 80% of the full replacement cost of the building immediately prior to the loss, you shall disregard the value of excavations, foundations, piers and other supports which are below the undersurface of the lowest basement floor or, where there is no basement, which are below the surface of the ground inside the foundation walls, and underground flues, pipes, wiring and drains.

(4) When the cost to repair or replace the damage is more than $1000 or more than 5% of the amount of insurance in this policy on the building, whichever is less, we will pay not more than the actual cash value of the damage until actual repair or replacement is completed.

(5) You may disregard the replacement cost loss settlement provisions and make claim under this policy for loss or damage to buildings on an actual cash value basis and then make claim within 180 days after loss for any additional liability on a replacement cost basis.

4. **Loss to a Pair or Set.** In case of loss to a pair or set we may elect to:

a. repair or replace any part to restore the pair or set to its value before the loss; or

b. pay the difference between actual cash value of the property before and after the loss.

5. **Glass Replacement**. Loss for damage to glass caused by Peril Insured Against shall be settled on the basis of replacement with safety glazing materials when required by ordinance or law.

6. **Appraisal.** If you and we fail to agree on the amount of loss, either one can demand that the amount of the loss be set by appraisal. If either makes a written demand for appraisal, each shall select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers shall then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, you or we can ask a judge of a court of record in the state where the **residence premises** is located to select an umpire. The appraisers shall then set the amount of the loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon shall be the amount of the loss. If the appraisers fail to agree within a reasonable time, they shall submit their differences to the umpire. Written agreement signed by any two of these three shall set the amount of the loss. Each appraiser shall be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire shall be paid equally by you and us.

7. **Other insurance.** If a loss covered by this policy is also covered by other insurance, we will pay only the proportion of the loss that the limit of liability that applies under this policy bears to the total amount of insurance covering the loss.

8. **Suit Against Us.** No action shall be brought unless there has been compliance with the policy provisions and the action is started within one year after the occurrence causing loss or damage.

9. **Our Option.** If we give you written notice within 30 days after we receive your signed, sworn statement of loss, we may repair or replace any part of the property damaged with equivalent property.

ASSIGNMENT SHEET #2

10. **Loss Payment.** We will adjust all losses with you. We will pay you unless some other person is named in the policy to receive payment. Payment for loss will be made within 30 days after we reach agreement with you, entry of a final judgment, or the filing of an appraisal award with us.

11. **Abandonment of Property.** We need not accept any property abandoned by any **insured.**

12. **Mortgage Clause.**

The word "mortgagee" includes trustee.

If a mortgagee is named in this policy, any loss payable under Coverage A or B shall be paid to the mortgagee and you, as interests appear. I more than one mortgagee is named, the order of payment shall be the same as the order or precedence of the mortgages.

If we deny your claim, that denial shall not apply to a valid claim of the mortgagee, if the mortgagee:

a. notifies us of any change in ownership, occupancy or substantial change in risk of which the mortgagee is aware;

b. pays any premium due under this policy on demand if you have neglected to pay the premium;

c. submits a signed, sworn statement of loss within 60 days after receiving notice from us of your failure to do so. Policy conditions relating to Appraisal, Suit Against Us and Loss Payment apply to the mortgagee.

If the policy is cancelled by us, the mortgagee shall be notified at least 10 days before the date cancellation takes effect.

If we pay the mortgagee for any loss and deny payment to you:

a. we are subrogated to all the rights of the mortgagee granted under the mortgage on the property; or

b. at our option, we may pay to the mortgagee the whole principal on the mortgage plus any accrued interest. In this event, we shall receive a full assignment and transfer of the mortgage and all securities held as collateral to the mortgage debt.

Subrogation shall not impair the right of the mortgagee to recover the full amount of the mortgagee's claim.

13. **No Benefit to Bailee.** We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this policy.

14. **Nuclear Hazard Clause.**

a. "Nuclear Hazard" means any nuclear reaction, radiation, or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.

b. Loss caused by the nuclear hazard shall not be considered loss caused by fire, explosion, or smoke, whether these perils are specifically named in or otherwise included within the Perils Insured Against in Section I.

c. This policy does not apply under Section I to loss caused directly or indirectly by nuclear hazard, except that direct loss by fire resulting from the nuclear hazard is covered.

SECTION II — LIABILITY COVERAGES

COVERAGE E PERSONAL LIABILITY

If a claim is made or a suit is brought against any **insured** for damages because of **bodily injury** or **property damage** to which this coverage applies, we will:

a. pay up to our limit of liability for the damages for which the **insured** is legally liable; and

b. provide a defense at our expense by counsel of our choice. We may make any investigation and settle any claim or suit that we decide is appropriate. Our obligation to defend any claim or suit ends when the amount we pay for damageds resulting from the occurrence equals our limit of liability.

COVERAGE F
MEDICAL PAYMENTS
TO OTHERS

We will pay the necessary medical expenses incurred or medically ascertained within three years from the date of an accident causing **bodily injury.** Medical expenses means reasonable charges for medical, surgical, x-ray, dental, ambulance, hospital, professional nursing, prosthetic devices and funeral services. This coverage does not apply to you or regular residents of your household other than **residence employees.** As to others, this coverage applies only:

a. to a person on the **insured location** with the permission of any **insured;** or

b. to a person off the **insured location,** if the **bodily injury:**

(1) arises out of a condition in the **insured location** or the ways immediately adjoining;

(2) is caused by the activities of any **insured;**

(3) is caused by a **residence employee** in the course of the **residence employee's** employment by any **insured;** or

(4) is caused by an animal owned by or in the care of any **insured.**

SECTION II — EXCLUSIONS

1. **Coverage E — Personal Liability and Coverage F — Medical Payments to Others** do not apply to **bodily injury** or **property damage;**

a. which is expected or intended by the **insured;**

b. arising out of **business** pursuits of any **insured** or the rental or holding for rental of any part of any premises by an **insured.**

This exclusion does not apply to:

(1) activities which are ordinarily incident to non-**business** pursuits; or

(2) the rental or holding for rental of a residence of yours:

(a) on an occasional basis for the exclusive use as a residence;

(b) in part, unless intended for use as a residence by more than two roomers or boarders; or

(c) in part, as an office, school, studio or private garage;

c. arising out of the rendering or failing to render professional services;

d. arising out of any premises owned or rented to any **insured** which is not an **insured location;**

e. arising out of the ownership, maintenance, use, loading or unloading of:

(1) an aircraft;

(2) a **motor vehicle** owned or operated by, or rented or loaned to any **insured;** or

(3) a watercraft:

(a) owned by or rented to any **insured** if the watercraft has inboard or inboard-outdrive motor power of more than 50 horsepower or is a sailing vessel, with or without auxiliary power, 26 feet or more in overall length; or

(b) powered by one or more outboard motors with more than 25 total horsepower, owned by any **insured** at the inception of this policy. If you report in writing to us within 45 days after acquisition, an intention to insure any outboard motors acquired prior to the policy period, coverage will apply.

ASSIGNMENT SHEET #2

f. caused directly or indirectly by war, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.

Exclusion e(3) does not apply while the watercraft is stored and exclusions d and e do not apply to **bodily injury** to any **residence employee** arising out of and in the course of the **residence employee's** employment by any **insured**.

2. **coverage E — Personal Liability**, does not apply to:

a. liability assumed under any unwritten contract or agreement, or by contract or agreement in connection with any **business** of the **insured;**

b. **property damage** to property owned by the **insured;**

c. **property damage** to property rented to, occupied or used by or in the care of the **insured.** This exclusion does not apply to **property damage** caused by fire, smoke or explosion;

d. **bodily injury** to any person eligible to receive any benefits required to be provided or voluntarily provided by the **insured** under any worker's or workmen's compensation, non-occupational disability, or occupational disease law; or

e. **bodily injury** or **property damage** for which any **insured** under this policy is also an insured under a nuclear energy liability policy or would be an insured but for its termination upon exhaustion of its limit of liability. A nuclear energy liability policy is a policy issued by Nuclear Energy Liability Insurance Association. Mutual Atomic Energy Liability Underwriters. Nuclear Insurance Association of Canada, or any of their successors.

3. **Coverage F — Medical Payments to Others**, does not apply to **bodily injury:**

a. **to a residence employee** if it occurs off the **insured location** and does not arise out of or in the course of the **residence employee's** employment by any **insured;**

b. to any person, eligible to receive any benefits required to be provided or voluntarily provided under any worker's or workmen's compensation, nonoccupational disability or occupational disease law;

c. from any nuclear reaction, radiation or radioactive contamination, all whether controlled or uncontrolled or however caused, or any consequence of any of these.

SECTION II — ADDITIONAL COVERAGES

We cover the following in addition to the limits of liability:

1. **Claim Expenses.** We pay:

a. expenses incurred by us and costs taxed against any **insured** in any suit we defend;

b. premiums on bonds required in a suit defended by us, but not for bond amounts greater than the limit of liability for Coverage E. We are not obligated to apply for or furnish any bond;

c. reasonable expenses incurred by any **insured** at our request, including actual loss of earnings (but not loss of other income) up to $50 per day for assisting us in the investigation or defense of any claim or suit;

d. interest on the entire judgment which accrues after entry of the judgment and before we pay or tender, or deposit in court that part of the judgment which does not exceed the limit of liability that applies.

ASSIGNMENT SHEET #2

2. **First Aid Expenses.** We will pay expenses for first aid to others incurred by any **insured** for **bodily injury** covered under this policy. We will not pay for first aid to you or any other **insured.**

3. **Damage to Property of Others.** We will pay up to $250 per occurrence for **property damage** to property of others caused by any **insured.** We will not pay for **property damages:**

   a. to property covered under Section I of this policy;

   b. caused intentionally by any **insured** who is 13 years of age or older;

   c. to property owned by or rented to any **insured,** a tenant of any **insured,** or a resident in your household; or

   d. arising out of:

      (1) **business** pursuits;

      (2) any act of omission in connection with a premises owned, rented or controlled by any **insured,** other than the **insured location;** or

      (3) the ownership, maintenance, or use of a **motor vehicle,** aircraft or watercraft.

SECTION II — CONDITIONS

1. **Limit of Liability.** Regardless of the number of **insureds,** claims made or persons injured, our total liability under Coverage E stated in this policy for all damages resulting from any one occurrence shall not exceed the limit of liability for Coverage E stated in the Declarations. All **bodily injury** and **property damage** resulting from any one accident or from continuous or repeated exposure to substantially the same general conditions shall be considered to be the result of one occurrence.

   Our total liability under Coverage F for all medical expense payable for **bodily injury** to one person as the result of one accident shall not exceed the limit of liability for Coverage F stated in the Declarations.

2. **Severability of Insurance.** This insurance applies separately to each **insured.** This condition shall not increase our limit of liability for any one occurrence.

3. **Duties After Loss.** In case of an accident or occurrence, the **insured** shall perform the following duties that apply. You shall cooperate with us in seeing that these duties are performed:

   a. give written notice to use or our agent as soon as practicable, which sets forth:

      (1) the identify of the policy and **insured;**

      (2) reasonably available information on the time, place and circumstances of the accident or occurrence; and

      (3) names and addresses of any claimants and available witnesses;

   b. forward to us every notice, demand, summons or other process relating to the accident or occurrence;

   c. at our request, assist in:

      (1) making settlement;

      (2) the enforcement of any right of contribution or indemnity against any person or organization who may be liable to any **insured;**

      (3) the conduct of suits and attend hearings and trials;

      (4) securing and giving evidence and obtaining the attendance of witnesses;

   d. under the coverage — Damage to the Property of Others — submit to us within 60 days after the loss, a sworn statement of loss and exhibit the damaged property, if within the **insured's** control;

   e. the **insured** shall not, except at the **insured's** own cost, voluntarily make any payment, assume any obligation or incur any expense other than for first aid to others at the time of the **bodily injury.**

ASSIGNMENT SHEET #2

4. **Duties of an Injured Person — Coverage F — Medical Payments to Others.**

   The injured person or someone acting on behalf of the injured person shall:

   a. give us written proof of claim, under oath if required, as soon as practicable;

   b. execute authorization to allow us to obtain copies of medical reports and records; and

   c. the injured person shall submit to physical examination by a physical selected by us when and as often as we reasonably require.

5. **Payment of Claim — Coverage F — Medical Payments to Others.** Payment under this coverage is not an admission of liability by any **insured** or us.

6. **Suit Against Us.** No action shall be brought against us unless there has been compliance with the policy provisions.

   No one shall have any right to join us as a party to any action against any **insured.** Further, no action with respect to Coverage E shall be brought against us until the obligation of the **insured** has been determined by final judgment of agreement singed by us.

7. **Bankruptcy of any Insured.** Bankruptcy or insolvency of any **insured** shall not relieve us of any of our obligations under this policy.

8. **Other Insurance — Coverage E — Personal Liability.** This insurance is excess over any other valid and collectible insurance except insurance written specifically to cover as excess over the limits of liability that apply in this policy.

SECTION I AND SECTION II — CONDITIONS

1. **Policy Period.** This policy applies only to loss under Section I or **bodily injury** or **property damage** under Section II, which occurs during the policy period.

2. **Concealment or Fraud.** We do not provide coverage for any **insured** who has intentionally concealed or misrepresented any material fact or circumstance relating to this insurance.

3. **Liberalization Clause.** If we adopt any revision which would broaden the coverage under this policy without additional premium within 60 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

4. **Waiver or Change of Policy Provisions.** A waiver or change of any provision of this policy must be in writing by us to be valid. Our request for an appraisal or examination shall not waive any of our rights.

5. **Cancellation.**

   a. You may cancel this policy at any time by returning it to us or by notifying us in writing of the date cancellation is to take effect.

   b. We may cancel this policy only for the reasons stated in this condition by notifying you in writing of the date cancellation takes effect. This cancellation notice may be delivered to you or mailed to you at your mailing address shown in the Declarations. Proof of mailing shall be sufficient proof of notice.

      (1) When you have not paid the premium, whether payable to us or to our agent or under any finance or credit plan, we may cancel at any time by notifying you at least 10 days before the date cancellation takes effect.

      (2) When this policy has been in effect for less than 60 days and is not a renewal with us, we may cancel for any reason by notifying you at least 10 days before the date cancellation takes effect.

ASSIGNMENT SHEET #2

(3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with us, we may cancel if there has been a material misrepresentation of fact which if known to us would have caused us not to issue the policy or if the risk has changed substantially since the policy was issued. This can be done by notifying you at least 30 days before the date cancellation takes effect.

(4) When this policy is written for a period longer than one year, we may cancel for any reason at anniversary by notifying you at least 30 days before the date cancellation takes effect.

c. When this policy is cancelled, the premium for the period from the date of cancellation to the expiration date will be refunded. When you request cancellation, the return premium will be based on our short rate table. When we cancel, the return premium will be pro rata.

d. If the return premium is not refunded with the notice of cancellation or when this policy is returned to us, we will refund it within a reasonable time after the date cancellation takes effect.

6. **Non-Renewal.** we may elect not to renew this policy. We may do so by delivery to you, or mailing to you at your mailing address shown in the Declarations, written notice at least 30 days before the expiration date of this policy. Proof of mailing shall be sufficient proof of notice.

7. **Assignment.** Assignment of this policy shall not be valid unless we give our written consent.

8. **Subrogation.** Any **insured** may waive in writing before a loss all rights of recovery against any person. If not waived, we may require an assignment of rights of recovery for a loss to the extend that payment is made by us.

   If an assignment is sought, any **insured** shall sign and deliver all related papers and cooperate with us in any reasonable manner.

   Subrogation does not apply under Section II to Medical Payments to Others or Damage to Property of Others.

9. **Death.** If any person named in the Declarations or the spouse, if a resident of the same household, dies:

   a. we insure the legal representative of the deceased but only with respect to the premises and property of the deceased covered under the policy at the time of death;

   b. **insured** includes:

      (1) any member of your household who is **insured** at the time of your death, but only while a resident of the **residence premises;** and

      (2) with respect to your property, the person having proper temporary custody of the property until appointment and qualification of a legal representative.

ASSIGNMENT SHEET #2

c 198

HO-300
(Ed. 5-81)
OKLAHOMA

SPECIAL PROVISIONS

EFFECTIVE TIME

The time of inception and the time of expiration of this policy and of any schedule or endorsement attached shall be 12:00 noon standard time.

SECTION I — COVERAGES

Coverage C — Personal Property

Under Property Not Covered paragraphs 3. and 4. deleted and the following substituted:

3. motorized land vehicle, including motorized bicycles, except those used to service an insured's residence which are not licensed for road use;

4. any device or instrument, including any accessories or antennas, for the transmitting, recording, receiving or reproduction of sound, including a citizens band radio, which is operated by power form the electrical system of a motor vehicle, or any tape, wire, record disc or other medium for use with any such device or instrument while any of this property is in or upon a motor vehicle.

SECTION I — CONDITIONS

Item 2. Your Duties After Loss. Paragraphs d. and e. are deleted and the following substituted:

d. as often as we reasonably require;

(1) exhibit the damaged property;
(2) provide us with records and documents we request and permit us to make copies; and
(3) submit to examination under oath and subscribe the same.

e. submit to us, within 60 days after we request, your signed, sworn proof of loss which sets forth, to the best of your knowledge and belief:

(1) the time and cause of loss;
(2) interest of the **insured** and all others in the property involved and all encumbrances on the property;
(3) other insurance which may cover the loss;
(4) changes in title or occupancy of the property during the term of the policy;
(5) specifications of any damaged building and detailed estimates for repair of the damage;
(6) an inventory of damaged personal property described in 2c;
(7) receipts for additional living expenses incurred and records supporting the fair rental value loss;
(8) evidence or affidavit supporting a claim under the Credit Card, Forgery and Counterfeit Money coverage, stating the amount and cause of loss.

Item 3. Loss Settlement. Paragraph b. is deleted and the following substituted:

b. roof surfacing, carpeting, domestic appliances, awnings, outdoor antennas and outdoor equipment, whether or not attached to buildings, at actual cash value at the time of loss but not exceeding the amount necessary to repair or replace;

Item 10. Loss Payment is deleted and the following substituted:

10. **Loss Payment.** We will adjust all losses with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment. Loss will be payable 60 days after we receive your proof of loss and;

a. reach agreement with you; or
b. there is an entry of a final judgement; or
c. there is a filing of an appraisal award with us.

ASSIGNMENT SHEET #2

Item 12. Mortgage Clause. The following clause is added:

If loss hereunder is made payable, in whole or in part, to a designated mortgagee not named herein as the insured, such interest in this policy may be cancelled by giving to such mortgagee a ten days' written notice of cancellation.

If you fail to render proof of loss such mortgagee, upon notice, shall render proof of loss in the form herein specified within sixty (60) days thereafter and shall be subject to the provisions hereof relating to appraisal and time of payment and of bringing suit. If we shall claim that no liability existed as to the mortgagor or owner, it shall to the extent of payment of loss to the mortgagee, be subrogated to all the mortgagee's rights of recovery, but without impairing mortgagee's right to sue; or it may pay off the mortgage debt and require an assignment thereof and of the mortgagee. Other provisions relating to the interests and obligations of such mortgagee may be added hereto by agreement in writing.

Under Section I — Conditons, the following is added:

15. **Our Duties After Loss.** It shall be our duty, after receiving a proof of loss, to submit a written offer of settlement or rejection of the claim to you within ninety (90) days of receipt of the proof of loss.

SECTION II — EXCLUSIONS

Under item 1. Coverage E — Personal Liability and Coverage F — Medical Payments to Others, paragraph 1. e. (2) is deleted and the following substituted:

(2) a **motor vehicle** or motorized bicycle owned or operated by, or rented or loaned to any **insured,** or

SECTION II — ADDITIONAL COVERAGES

Under item 3. Damage to Property of Ohters, paragraph 3. d. (3) is deleted and the following substituted:

(3) the ownership, maintenance, or use of a **motor vehicle,** motorized bicycle, aircraft or watercraft.

SECTION I and SECTION II — CONDITIONS

Under item 5. **Cancellation,** paragraph c. is deleted and the following substituted:

c. When this policy is cancelled, the premium from the date of cancellation to the expiration date will be refunded. When the policy is cancelled, the return premium will be pro rata.

All other provisions of this policy apply.

ASSIGNMENT SHEET #2

In Witness Whereof, we have caused this policy to be executed and attested, but this policy shall not be valid unless countersigned by our authorized representative.

Secretary

President

Insurance policy used with permission of Cimarron Insurance Company, Inc., Cimarron, Kansas.

PROPERTY INSURANCE
UNIT V

ASSIGNMENT SHEET #3 — MAKE A HOUSEHOLD INVENTORY

NAME _____ SCORE _____

Your memory may be excellent, but to remember exactly what household goods and personal possessions you have in any given place in your home is nearly impossible. In fact, most people cannot guess within several hundred dollars what their household furnishings are worth. This is because you accumulate your possessions a piece at a time.

Your inventory should be kept outside the home in a safe place such as a safe-deposit box. Without the inventory you may not be able to remember items in your home and, therefore, may not receive money owed to you by your insurance company.

Date of Purchase	Room: LIVING ROOM					Date of Purchase	Room: DINING ROOM				
	No. Of Items	Article	Orig. Cost	Value	Repl. Cost		No. Of Items	Article	Orig. Cost	Value	Repl. Cost
2-76	3	Bookcase	$ 875	1,200	1,350	2-64	1	Buffet	$ 250	$ 400	$ 775
2-74	14	Bric-a-brac	500	750	830	6-81	1	Carpets-Rugs	600	800	900
8-83	90	Books	1,200	1,400	1,625	7-71	8	Chairs	800	1,400	1,700
9-69	1	Cabinets	650	700	1,400	4-78	Set	China	600	800	1,000
10-78	1	Carpets-Rugs	900	1,200	1,600	11-75	1	China Cabinet	500	750	1,000
2-77	2	Chairs	500	600	900	8-77	8	Chairs	1,200	1,500	1,600
3-81	1	Clocks	150	175	220	7-76	1	Clock	50	75	75
6-74	4	Cushions-Pillows	75	100	150	8-68	1	Crystal (Assorted)	500	600	850
7-83	2	Curtains-Drapes	300	350	375	7-75	2 pr.	Curtains & Drapes	80	80	160
6-76	1	Desk	675	700	1,200	5-70	Set	Glasses	100	125	150
7-81	1	Fireplace Equipment	180	200	225	9-72	Set	Glassware	225	275	400
6-81	3	Lamps	160	250	265	8-75	1	Lamps (Chandelier)	340	400	450
6-81	1	Mantle Pieces	500	700	750	12-80	Set	Linens	65	100	125
6-81	1	Mirrors	50	75	75	11-74	4	Tablecloths	120	120	125
1-59	6	Paintings	240	600	750	1-76	3 Doz	Napkins	40	40	70
1-82	1	Piano	1,800	2,000	2,000	3-67	3	Paintings	150	150	160
2-69	4	Pictures	950	1,200	1,200	5-83	1	Pictures	10	15	20
7-79	6	Plants	75	75	85	1-83	2	Plants	25	25	30
6-72	1	Radio	45	60	80	7-81	1	Server	125	150	175
6-79	1	Record Player	100	135	135	6-73	3	Serving Pieces	150	210	270
1-72	1	Sofa	600	750	800	8-72	Set	Silverware	1,100	1,500	2,000
3-79	4	Tables	900	1,150	1,250	9-81	1	Table	800	1,200	1,250
2-76	1	Television	700	700	850	8-61	1	Wall Hangings	70	80	185
2-76	1	Stereo	500	500	575						
10-83	1	Wall Hangings	100	150	150						

Adapted from *Consumer Education* with permission of Glencoe Publishing Company, Mission Hills, California.

ASSIGNMENT SHEET #3

PART I

Using the blank forms provided, take inventory in each room of your home. To complete this form, you may need to make estimates.

Date of Purchase	Room					Date of Purchase	Room:				
	No. Of Items	Article	Orig. Cost	Value	Repl. Cost		No. Of Items	Article	Orig. Cost	Value	Repl. Cost

ASSIGNMENT SHEET #3

Date of Purchase	Room					Date of Purchase	Room				
	No. Of Items	Article	Orig Cost	Value	Repl Cost		No. Of Items	Article	Orig Cost	Value	Repl Cost

ASSIGNMENT SHEET #3

Date of Purchase	Room					Date of Purchase	Room				
	No. Of Items	Article	Orig. Cost	Value	Repl. Cost		No. Of Items	Article	Orig. Cost	Value	Repl. Cost

ASSIGNMENT SHEET #3

Date of Purchase	Room					Date of Purchase	Room				
	No. Of Items	Article	Orig. Cost	Value	Repl. Cost		No. Of Items	Article	Orig. Cost	Value	Repl. Cost

ASSIGNMENT SHEET #3

PART II

Answer the following questions about your inventory.

A. Do you think it is necessary to take pictures of any of the items on your inventory list?

If so, which items should be photographed? _____

_____

_____

_____

Why do you think these pictures need to be taken? _____

_____

_____

_____

B. After taking inventory, do you think that having property insurance is important?

_____ Why? _____

_____

_____

PROPERTY INSURANCE
UNIT V

ASSIGNMENT SHEET #4 — SELECT APPROPRIATE COVERAGE

NAME _____ SCORE _____

Since there is a lot of variety in premiums, policies, terms, and companies, it is advisable to "shop around" before selecting your agency and policies. Interview an insurance agent to obtain more information. Use the questions listed below as guidelines. Feel free to add your own questions. The insurance agent may be a guest speaker in the classroom or student organization meeting, someone you interview for a homework assignment, or someone you interview while on a field trip to an insurance agency.

After completing the interview, descirbe briefly in the space provided at the end of the assignment sheet the kinds of insurance policies you want to meet your personal needs now. How do you think the kind of policies you will need in ten years will be different fro those polcies that would fit your needs today? What options do you find desirable?

Homeowner's Insurance:

1. Is there payment for indirect loss, such as rental income not received because of a destroyed building?

2. Do you have inland marine insurance to cover property that does not remain in a fixed location, such as a cargo or contractor's equipment?

3. Can jewelry and other valuable items be included in a homeowner's policy?

4. Do policies cover damages resulting from torts and other crimes?

5. What is the difference in *basic form, broad form, comprehensive form,* and *tenant homeowner's policies*?

ASSIGNMENT SHEET #4

6. Do basic homeowner's policies cover the following disasters: fire, lightning, windstorms, hail, explosions, riots, falling aircraft, smoke damage, vandalism, and theft?

7. Do broad homeowner's policies cover more disasters than basic homeowners' policies?

8. Which kind of homeowner's policy is most widely purchased?

9. Can coverage by purchased for the following disasters: weight of ice, snow, and sleet; explosion of heating systems; water damage; freezing pipes; electrical damage to applicances; and glass damage?

10. Can a person usually get coverage for the following disasters: earthquakes, landslides, floods, backed-up sewers, war, nuclear radiation, tornadoes, and hurricanes?

HOMEOWNER'S INSURANCE POLICY

The type of homeowners' insurance policy I feel would meet my needs is _____

_____because

_____

_____

_____

_____

_____

_____

_____

The cost of ranges from $_____ to $_____

PROPERTY INSURANCE
UNIT V

ANSWERS TO ASSIGNMENT SHEETS

Assignment Sheet #1 — Completed to the satisfaction of the instructor

Assignment Sheet #2

A. 1. May 2, 1982, to May 2, 1983

2. S.E. 10.68 acres of lot 8, section 27, 3N, 8E, 1¼ miles from the town of Anywhere, Oklahoma

3. a. $24,000

b. $2,400

c. $12,000

d. $4,800

e. $25,000

f. $500

4. J.J. McLoughlin

5. 1977

6. Frame

7. 30 feet

8. 1¼ miles

B. 1. Bodily injury — Bodily harm, sickness or disease, including required care, loss of services and death resulting therefrom

2. Business — Trade, profession, or occupation

3. Insured — You and residents of your household including relatives and anyone under the age of twenty-one who is in your care

4. Insured location — Residence premises

5. Motor vehicle — A motorized land vehicle designed for travel on public roads or subject to motor vehicle registration; motorized recreational vehicle

6. Property damage — Physical injury to or destruction of tangible property, including loss of use of this property

ANSWERS TO ASSIGNMENT SHEETS

7. Residence employee — An employee of any insured who performs duties in connection with the maintenance or use of the residence premises

8. Residence premises — One-family or two-family dwelling, other structures, and grounds or that part of any other building where you reside and which is shown as the residence premises in the declaration page

C. 1. Materials and supplies located on or adjacent to the residence premises for use in the construction, alteration, or repair of the dwelling or other structures on the residence premises

2. Structures used in whole or in part for business purposes or those structures rented or held for rental to any person not a tenant of the dwelling, unless used solely as a private garage

3. Answer should include any four of the following

a. Articles separately described and specifically insured in this or any other insurance

b. Animals, birds, or fish

c. Motorized land vehicles except those used to service an insured's residence but which are not licensed for road use

d. Any device or instrument, including any accessories or antennas, for transmitting, recording, receiving, or reproduction of sound which is operated by power from the electrical system of a motor vehicle, or tape, wire, record, disc or other medium for use with any such device or instrument while any of this property is in or upon a motor vehicle

e. Aircraft and parts

f. Property of roomers, boarders, and other tenants, except property of roomers and boarders related to any insured

g. Property contained in an apartment regularly rented or held for rental to others by any insured

h. Property rented or held for rental to others away from the residence premises

i. Business property in storage or held as a sample or for sale or delivery after sale

j. Business property pertaining to a business actually conducted on the residence premises

k. Business property away from the residence premises

ANSWERS TO ASSIGNMENT SHEETS

4. Loss or expense due to cancellation of a lease or agreement

5. Answer should include any four of the following

   a. Debris removal

   b. Reasonable repairs

   c. Trees, shrubs, and other plants

   d. Fire department service charge

   e. Property removed

   f. Credit card, forgery, and counterfeit money

6. Answer should include any ten of the following

   a. Fire or lightning

   b. Windstorm or hail

   c. Explosion

   d. Riot or civil commotion

   e. Aircraft

   f. Vehicles

   g. Smoke

   h. Vandalism or malicious mischief

   i. Theft

   j. Breakage of glass or safety glazing material

   k. Falling objects

   l. Weight of ice, snow, or sleet

   m. Collapse of building or any part of building

   n. Accidental discharge or overflow of water or steam

   o. Sudden and accidental tearing apart, cracking, burning, or bulging of heating or air conditioning system or appliance for heating water

   p. Freezing of plumbing, heating or air conditioning system, or appliance

   q. Sudden and accidental damage from artificially generated electrical current

ANSWERS TO ASSIGNMENT SHEETS

7. Answer should include any five of the following

   a. Ordinance or law

   b. Earth movement

   c. Water damage

   d. Power interruption

   e. Neglect

   f. War

   g. Nuclear hazard

8. Answer should include any nine of the following

   a. Insurable interest and limit of liability

   b. Your duties after loss

   c. Loss settlement

   d. Loss to a pair or set

   e. Glass replacement

   f. Appraisal

   g. Other insurance

   h. Suit against us

   i. Our option

   j. Loss payment

   k. Abandonment of property

   l. Mortgage clause

   m. No benefit to bailee

   n. Nuclear hazard clause

ANSWERS TO ASSIGNMENT SHEETS

D. Answer should include the following

1. The insurance company
2. Three years

E. Answer should include the following

1. Claim expenses
2. First aid expenses
3. Damage to property of others

F. 1. By returning the policy or by notifying the insurance company in writing of the date of cancellation

2. Answer should include the following

   a. Premium not paid

   b. When policy has been in effect less than sixty days and is not a renewal, company may cancel for any reason

   c. If insured has misrepresented facts or if risk has changed substantially

   d. If policy is written for more than one year, the company may cancel for any reason at anniversary

Assignment Sheet #3 — Completed to the satisfaction of the instructor

Assignment Sheet #4 — Completed to the satisfaction of the instructor

PROPERTY INSURANCE
UNIT V

TEST

NAME _____ SCORE _____

1. Match terms associated with real and personal property insurance to their correct definitions. Write the correct numbers in the blanks.

_____a. Household contents and other personal belongings used, owned, worn, or carried by the residents

_____b. Land and things permanently attached to it

_____c. Dangers that lead to economic loss

_____d. Written contract in which the insurance company guarantees to insure a person and/or family against a specified loss, damage, and/or injury in return for the payment of a premium

_____e. Increase in value

_____f. Decrease in value

_____g. Request of payments for losses

_____h. Amount of money paid by person for insurance coverage

1. Appreciate
2. Perils
3. Premium
4. Personal property
5. Depreciate
6. Real property
7. Policy
8. Claim

2. List three items for which property owners should carry insurance.

a. _____

b. _____

c. _____

3. List seven types of property insurance coverage.

a. _____

b. _____

c. _____

TEST

d. _____

e. _____

f. _____

g. _____

4. Select from the following list characteristics of package policies. Write an "X" in the blank before each correct answer.

_____a. Are not purchased very often

_____b. Provide for a combination of coverages

_____c. Provide for basic, broad, or comprehensive coverage

_____d. Can be purchased only by homeowners

_____e. Provide for broad coverage at low cost

_____f. Must be purchased from an independent agent

5. Match types of liability insurance to their descriptions. Write the correct numbers in the blanks.

_____a. Protects insured against claims arising from bodily injury to others or damage to property of others; no claim is paid by insurance company unless it has been established that the insured is legally liable

_____b. Protect the homeowner from accidental injury claims of others arising from actions of homeowner's family members or pets either on or off the homeowner's property; payment is made regardless of who is at fault

_____c. Pays for minor damages to property accidentally caused by any member of the insured family; payment is made regardless of who is at fault

1. Medical payments
2. Property liability
3. Personal liability

TEST

6. Match parts of a property insurance policy to their descriptions. Write the correct numbers in the blanks.

_____a. Listing of personal information that is given when applying for the policy; gives length of time policy covers and maximum payment company will make under each coverage; describes property that is insured

_____b. Company's promise to pay any losses covered by the policy

_____c. Listing of perils for which the company will not pay

_____d. Clarification of the rights and obligations of company and policyholder

_____e. Any additions made to the contract

_____f. Information as to what the policy will cover

_____g. Information about the terms found in the policy

1. Exclusions
2. Ensorsements
3. Declarations
4. Coverage
5. Insuring agreement
6. Conditions
7. Definitions

7. Select from the following list factors that determine cost of property insurance. Write an "X" in the blank before each correct answer.

_____a. Number of claims made to the insurance company

_____b. Color paint used inside the home

_____c. Access to adequate fire protection

_____d. Materials used in construction

_____e. Type of wood used to build the cabinets

_____f. Length of time policy covers

_____g. Deductible clauses

_____h. Replacement value of the home

_____i. Number of dependents

TEST

8. Select from the following list purposes of having an inventory. Write an "X" in the blank before each correct answer.

_____a. Making Christmas shopping list

_____b. Planning how much insurance to carry

_____c. Filing a claim

_____d. Determining net worth

_____e. Determining who should be left out of the will

_____f. Planning future needs and spending

_____g. Filing income tax return

9. Select from the following list guidelines for making a household inventory. Write an "X" in the blank before each correct answer.

_____a. List each item

_____b. Indicate approximate value now

_____c. Indicate who purchased the item

_____d. Keep inventory up-to-date

_____e. Indicate date that item was purchased

_____f. Indicate in which state the item was purchased

_____g. Indicate original purchase price

_____h. Indicate quantity of each item

_____i. Indicate room where the item is located

(NOTE: Test questions 10-13 list the assignment sheets. They are an important part of this test. If they have not been completed, check with your instructor.)

10. Evaluate statements about property insurance.

11. Obtain information from a property insurance policy.

12. Make a household inventory.

13. Select appropriate coverage.

PROPERTY INSURANCE
UNIT V

ANSWERS TO TEST

(NOTE: It may be helpful to use your blank test to make a test key.)

1. a. 4
   b. 6
   c. 2
   d. 7
   e. 1
   f. 5
   g. 8
   h. 3

2. Answer should include any three of the following

   a. Home and contents
   b. Appurtenant structures
   c. Other personal property
   d. Personal liability

3. Answer should include any seven of the following

   a. Package policy
   b. Liability
   c. Fire and contents of structure
   d. Flood
   e. Crime
   f. Earthquake
   g. Extended coverage
   h. Additional living expense
   i. Renter

4. b, c, e

5. a. 3
   b. 1
   c. 2

6. a. 3
   b. 5
   c. 1
   d. 6
   e. 2
   f. 4
   g. 7

7. a, c, d, f, g, h

8. b, c, d, f

ANSWERS TO TEST

9. a, b, d, e, g, h, i

10. Completed to the satisfaction of the instructor

11. Completed to the satisfaction of the instructor

12. Completed to the satisfaction of the instructor

13. Completed to the satisfaction of the instructor

WILLS AND FUNERALS
UNIT VI

UNIT OBJECTIVE

After completing this unit, the student should be able to state reasons for having a will, evaluate personal need for a will, and write a letter of last instruction. This knowledge will be shown by completing assignment sheets and unit test with a minimum score of 85 percent.

SPECIFIC OBJECTIVES

After completing this unit, the student should be able to

1. Match terms associated with wills and funerals to their correct definitions.
2. Select from a list facts about wills.
3. State reasons for having a will.
4. Discuss consequences of dying without a will.
5. Select from a list information needed before writing a will.
6. Explain briefly the advantages of a Living Will.
7. State ways to avoid losing assets after the death of a family member.
8. Select from a list facts about prefinanced funerals.
9. State facts about selecting a funeral director.
10. Select from a list information about charges that the funeral director should provide families.
11. Discuss tasks associated with funeral or other final service.
12. List ways to put body to rest.
13. State points to consider when selecting a cemetery lot or mausoleum crypt.
14. Discuss information that should be included in a letter of last instruction.
15. State the purpose of estate planning.
16. Name two aids in estate planning.
17. Distinguish between advantages and disadvantages of wills.

OBJECTIVE SHEET

18. Evaluate personal need for a will.
19. Interview a person who has a will.
20. Interview a funeral director.
21. Write a letter of last instruction.

WILLS AND FUNERALS
UNIT VI

SUGGESTED ACTIVITIES

I. Unit contents

A. Objective sheet

B. Suggested activities

C. Information sheet

D. Assignment sheets

1. Assignment Sheet #1 — Evaluate Personal Need for a Will

2. Assignment Sheet #2 — Interview a Person Who Has a Will

3. Assignment Sheet #3 — Interview a Funeral Director

4. Assignment Sheet #4 — Write a Letter of Last Instruction

E. Answers to assignment sheets

F. Test

G. Answers to test

II. Instructor's guides

A. Obtain materials to supplement unit.

(NOTE: These materials are available from Continental Association of Funerals and Memorial Societies, Inc., 2001 S St., NW, Suite 530, Washington, D.C. 20036.)

1. Pamphlets and fact sheets

a. "Funerals and Memorial Societies"

b. "Funerals and Consumers: News Digest"

c. "Facts about Cremation"

d. "Information on Anatomical Gifts and Uniform Donor Card"

2. Magazine article — "How to Plan Your Own Funeral"

(NOTE: This article is available from Reprint Editor, The Reader's Digest Association, Inc., Pleasantville, New York 10570.)

SUGGESTED ACTIVITIES

3. Filmstrip — *The Understanding Death Series*. Includes four color, 35 mm filmstrips and cassettes, approximately 12-15 minutes in length; Educational Perspectives Associates, 1974. Available from Educational Perspectives Associates, Post Office Box 213, Dekalb, Illinois 60115.

B. Provide students with objective sheet.

C. Discuss unit and specific objectives.

1. Approximately four weeks before unit is taught, have students write letters to the following organizations asking for their educational materials related to wills and/or funerals. Have students use the Home Economics Department address when writing the return address for the letters; this will prevent the information from being lost at the students' homes. Have students share the information that they receive with the class.

a. American Cemetery Association
250 East Broad Street
Columbus, Ohio 43210

b. Associated Funeral Directors Service
7405 Manchester Boulevard
St. Louis, Missouri 63143

c. Casket Manufacturers Association of America
708 Church Street
Evanston, Illinois 60601

d. Cremation Association of America
1620 West Belmont Avenue
Fresno, California 93701

e. Guild of American Funeral Directors
30112 Silver Spur Boulevard
San Juan Capistrano, California 92674

f. Monument Builders of North America
1612 Central Street
Evanston, Illinois 60201

g. National Association of Cemeteries
1911 North Fort Meyer Drive, Suite 409
Arlington, Virginia 22209

h. National Foundation of Funeral Service
1600-1628 Central Street
Evanston, Illinois 60201

SUGGESTED ACTIVITIES

i. National Funeral Directors Association
135 West Well Street
Milwaukee, Wisconsin 53203

j. National Funeral Directors and Morticians Association
734 West 79th
Chicago, Illinois 60620

2. Have students find information about funerals and wills in newspapers or magazines and report their findings.

3. Introduce unit by reading case studies of situations in which people's wishes were not carried out because they died without wills.

- Ann and Bill have no children, but make a home for Bill's father, who sacrificed to get his son through medical school. Ann has agreed that the older man will continue to have a place to live, no matter what. Unfortunately, Bill and Ann are both killed in a car crash, with Ann surviving Bill by a few days. Because there was no will, ownership of everything passed first to Ann and then to her relatives, including cousins she has never known. Bill's father will not receive anything and no longer has a home.

- Charlie and his first wife had two children to whom he gives whatever time and money he can spare from his current family responsibilities, which include the raising of the three stepchildren he acquired when he married a second time. His current mate has never met the members of his first family, but she resents them because of the drain on the family's budget they present. One day Charlie dies. Under a joint ownership arrangement, everything goes to the second wife, and the support to the children of the first marriage stops. Then if the second wife dies without a will, the estate passes entirely to her children, and Charlie's children get nothing.

4. Stress the importance of this unit since the topic is something that will eventually affect everyone.

D. Provide students with information and assignment sheets.

E. Discuss information and assignment sheets.

1. Emphasize that although careful planning protects a deceased person's family and property, a family remains susceptible to loss of those assets; use Information Sheet, Sections II, III, IV, V, VI, XIV, XV, XVI, and Assignment Sheets #1 and #2. Also, encourage students to share Figure #1 with their parents.

- Invite an attorney to speak to students about wills.

SUGGESTED ACTIVITIES

- Show sample copies of wills and allow students to examine them. Point out the importance of having a will signed by two witnesses.

- Have students prepare necessary information as if they were going to their attorney to have a will written.

- Share with students news or magazine articles on how people have lost their assets because someone swindled them out of their inheritance.

- Help students list personal items that they own. Have class discussion before students answer "B" in Assignment Sheet #1.

- Give Assignment Sheet #2 as a home project to be done with the help of the students' parents. Stress the importance of both parents' having a will, perhaps a joint will.

2. Point out that when a person dies, it is inevitably a difficult time for those close to the person; trauma can be minimized by a skillful handling of final arrangements; use Sections VII, VIII, IX, X, XI, XII, and XIII and Assignment Sheets #3 and #4.

   - Obtain pamphlets from a local funeral home as to the type of prefinanced plan offered. Allow students to decide whether or not to buy the plan and give their reasons.

   - Discuss memorial societies as an alternative to a prepayment plan. Generally, members pay a small yearly fee to belong to a society associated with a particular funeral home. When the need arises, members may purchase goods or services from that funeral home at a reduced price. From the funeral director's point of view, memorial societies guarantee group business from people who frequently are not interested in traditional, expensive funerals. The yearly membership fees help offset the discount offered to members. From the member's point of view, the group's buying power provides considerable financial savings.

   - Arrange a study tour to a funeral home. Be sure that students see each part of the funeral home.

   - Ask students to define what they think a good reputation and character is in relation to a good funeral director.

   - Invite a funeral director to speak to the students. Allow students to answer questions on Assignment Sheet #3 at this time.

   - Obtain from a funeral director a sample itemized list of prices for merchandise and services that can be purchased from a funeral home.

SUGGESTED ACTIVITIES

- Discuss sales techniques used in casket selection showrooms of funeral homes. For example, a funeral director may show a very inexpensive casket first, then an elegant and expensive one, and finally one just above the desired price range. This technique leads the family members, who may be feeling that this is their last chance to do something nice for the deceased, into paying just a bit more for a casket than they had anticipated. Usually plain pine coffins are not in the showroom, nor will they be mentioned unless someone specifically asks about one.

  (NOTE: Many times a family selects an expensive casket to impress friends or relatives; in churches that use a pall over the casket, the mourners do not see the casket during the funeral.)

- Discuss embalming process and other preparations of the body for display such as wiring the jaw shut, padding the inside of mouth, shampooing and setting hair, applying makeup (to men and women), or doing whatever is necessary to achieve what is called normalization of the body.

- Discuss *cryonics* as an alternative to traditional ways of putting a body to rest; bring up problems associated with the attempts thus far.

  (NOTE: Cryonics is the practice of freezing a dead body until a time when science can cure the disease or condition that caused death.)

- Obtain prices and regulations for cemeteries in your area and share these with students.

- Have students write their own obituaries, leaving the date, place, and cause of death blank. Encourage the students to attach this to their letter of last instruction.

- Emphasize benefits of a letter of last instruction to the family that has to plan final arrangements; use Section XIII and Assignment Sheet #4.

3. Discuss the Living Will and its advantages. This form states that if the signee should have an incurable, irreversible condition caused by injury, disease, or illness, the signee wishes to die naturally. Doctors are not to use life-sustaining procedures or medications; use Information Sheet, Section VI.

F. Develop appropriate learning activities for special needs students.

G. Give test.

H. Reteach and retest if necessary.

SUGGESTED ACTIVITIES

III. Unit references

A. *Planning Your Will.* Oklahoma State University, Cooperative Extension Service Pamphlet L38. Stillwater, Oklahoma, 1976.

B. *Probating an Estate.* Oklahoma City: Oklahoma Bar Association, 1982.

C. Vail, Elaine. *A Personal Guide to Living with Loss.* New York: John Wiley and Sons, Inc., 1982.

D. Zalazink, Patricia Weller. *Dimensions of Loss and Death Education.* Minneapolis: EDU-PAC Publishing Company, 1979.

IV. Additional Reference — Paul, Beatrice Goulden. *Death Education*: Enid, Oklahoma, 1979.

WILLS AND FUNERALS
UNIT VI

INFORMATION SHEET

I. Terms and definitions

A. Will — Legal statement of a person's wishes concerning the disposal of his or her property after death

B. Funeral — Ceremony during which relatives, friends, and associates pay their respects to the deceased and comfort the survivors

(NOTE: Local customs often dictate type of final service held. Types of services include funeral, memorial, and graveside services.)

C. Executor — Person appointed by the maker of the will to carry out the provisions and direction of the will

(NOTE: The maker of the will is called the *testator*. Someone who dies without making a will dies *intestate*.)

D. Minor children — Individuals under the age of eighteen

E. Embalming — Introducing disinfectant and preservative chemicals into the arterial system of a dead body, removing contents of veins

F. Cremation — Act of burning a dead body to ashes

(NOTE: Cremation can be as costly as an earth burial or it can be quite a bit less expensive, depending on the container used in the cremation chamber. Crematorium policies sometimes require the use of a casket, which may or may not be expensive; usually the policies require only a "suitable container," which may be fairly inexpensive.)

G. Mausoleum — Usually an impressive, almost churchlike building that contains a series of vaults called *crypts* for entombment of bodies, and niches for placement of urns

II. Facts about wills

A. Have no force or effect until the maker dies

B. Control only the property individually owned by the maker of the will

C. Do not become effective immediately upon the death of the maker

(NOTE: A will must first be proven official and admitted to the courts. Because of this, those wishes which need to be carried out immediately upon the death of the maker of the will should be left out and entrusted to a friend or relative. An individual should review his or her will yearly.)

INFORMATION SHEET

III. Reasons for having a will (Assignment Sheets #1 and #2)

A. Distribute assets as you wish

B. Reduce cost and time for settling the estate

C. Name an executor of the will

D. Name a guardian for minor children

(NOTE: This provides someone you trust and like to care for your minor children.)

E. Establish trust funds

(NOTE: A trust fund is established in a will to ensure the security of the beneficiaries. The money or property is left to an institution or person, who administers the income from the property or money in accordance to the instructions in the will.)

F. Avoid family quarrels

IV. Consequences of dying without a will (Assignment Sheet #1)

A. State law determines how your assets will be distributed (Figure 1)

(NOTE: Every state has laws that govern the estates of deceased persons. If you fail to provide a will, the state will distribute your property according to law. In most cases, assets of minor children go to their parents.)

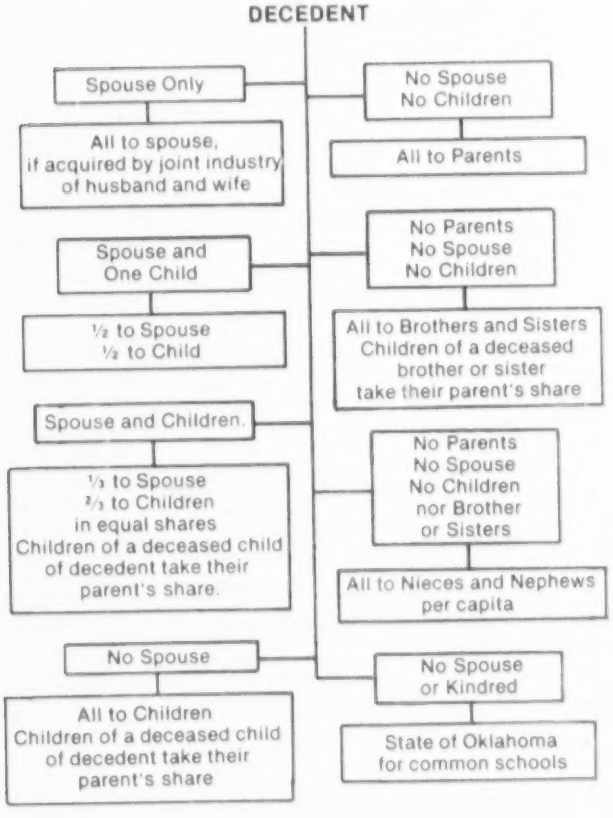
INFORMATION SHEET

EXAMPLE:

FIGURE 1

LAWS OF DESCENT AND DISTRIBUTION

The following is a general schedule showing examples of how a person's property descends if he or she dies without a will. There are some important exceptions to this schedule.


DECEDENT
Spouse Only
All to spouse, if acquired by joint industry of husband and wife
Spouse and One Child
½ to Spouse ½ to Child
Spouse and Children.
⅓ to Spouse ⅔ to Children in equal shares Children of a deceased child of decedent take their parent's share.
No Spouse
All to Children Children of a deceased child of decedent take their parent's share
No Spouse No Children
All to Parents
No Parents No Spouse No Children
All to Brothers and Sisters Children of a deceased brother or sister take their parent's share
No Parents No Spouse No Children nor Brother or Sisters
All to Nieces and Nephews per capita
No Spouse or Kindred
State of Oklahoma for common schools

B. Courts will appoint an executor of your estate

(NOTE: This might be someone that you distrust.)

C. Courts will appoint a guardian for your minor children

(NOTE: This could be someone that you like, or it could be the last person you would want to care for your children.)

D. Cost may be more to settle your estate, and your family may receive less

INFORMATION SHEET

V. Information needed before writing a will (Assignment Sheet #1)

(NOTE: If you have anything of value, you should have a will. Wills may be simple or complex. Although a handwritten will is legal, it may be very important for you to engage a lawyer to help you translate your requests into legally binding language so that there is no question of your intent.)

A. Complete listing and description of property, cash, and investments that are owned

(NOTE: Although debts [their nature and extent] will not be listed in the will, they have to be paid.)

B. Name of an executor to handle the estate

C. Name of a guardian for minor children

D. List of locations of all important documents

E. Names of all children and their ages

F. Names of beneficiaries and what you want them to receive from your estate

VI. Advantages of Living Will

A. Reduces the suffering and agony of the terminally ill or injured person

B. Reduces extensive medical costs to family

C. Reduces grieving time of family members

D. Protects terminally ill or injured persons from suffering through prolonged medical treatments

E. Relieves family members from having to make decisions regarding the use or continued use of life-support systems

F. Gives the signee control of his/her life

(NOTE: A person must be 21 years old to complete a Living Will.)

See sample of Oklahoma's form for the Living Will on the following two pages.

INFORMATION SHEET

STATE OF OKLAHOMA
DIRECTIVE TO PHYSICIANS

Directive made this _____ day of _____(month, year).

I, _____, being of sound mind and twenty-one years (21) years of age or older, willfully and voluntarily make known my desire that my life shall not be artificially prolonged under the circumstances set forth below, and do hereby declare:

1. If at any time I should have an incurable irreversible condition caused by injury, disease or illness certified to be a terminal condition by two physicians, I direct that life-sustaining procedures be withheld or withdrawn and that I be permitted to die naturally, if the application of life-sustaining procedures would serve only to artificially prolong the moment of my death and my attending physician determines that my death is imminent whether or not life-sustaining procedures are utilized:

2. I ( ) do ( ) do not desire that nutrition or hydration (food and water) be provided by gastric tube or intravenously if necessary;

3. In the absence of my ability to give direction regarding the use of such life-sustaining procedures, it is my intention that this directive shall be honored by my family and physicians as the final expression of my legal right to refuse medical or surgical treatment and accept the consequences of such refusal;

4. If I have been diagnosed as pregnant and that diagnosis is known to my physician, this directive shall have no force or effect during the course of my pregnancy;

5. I have been diagnosed and notified as having a terminal condition by _____, M.D. or D.O., whose address is _____

and whose telephone number is _____. I understand that if I have not filled in the name and address of the physician, it shall be presumed that I did not have a terminal condition when I made out this directive;

6. This directive shall be in effect until it is revoked;

7. I understand the full import of this directive and I am emotionally and mentally competent to make this directive; and

8. I understand that I may revoke this directive at any time.

Signed_____

City, County and State of Residence_____

(OVER)

INFORMATION SHEET

Witnesses

The declarant has been personally known to me and I believe said declarant to be of sound mind. I am twenty-one (21) years of age or older. I am not related to the declarant by blood or marriage, nor would I be entitled to any portion of the estate of the declarant upon the death of said declarant, nor am I the attending physician of the declarant or an employee of the attending physician or a medical care facility in which the declarant is a patient, or a patient in the health care facility in which the declarant is a patient, nor am I financially responsible for the medical care of the declarant, or any person who has a claim against any portion of the estate of the declarant upon the death of the declarant.

Witness_____

Witness_____

Notarial Acknowledgment

County of _____

Before me, the undersigned authority, on this day personally appeared _____ (declarant) and _____ (witness) and _____ (witness) whose names are subscribed to the foregoing instrument in their respective capacities, and, all of said persons being by me duly sworn, the declarant declared to me and to the said to the said witnesses in my presence that said instrument is his or her "Directive to Physicians", and that the declarant had willingly and voluntarily made and executed it as the free act and deed of the declarant for the purposes herein expressed.

The foregoing instrument was acknowledged before me this _____ day of _____, 19_____.

Signed_____

Notary Public in and for _____ County, Oklahoma.
My commission expires _____ day of _____, 19_____.

10/86

Statutory Citation: Oklahoma Natural Death Act, OKLA STAT. tit. 63, ss 3101-3111 (1985)

Additional copies of this document are available from: Concern for Dying, 250 West 57th Street, New York, NY 10107; (212) 246-6962.

INFORMATION SHEET

VII. Ways to avoid losing assets after the death of a family member

A. Beware of high-pressure promoters and swindlers

(NOTE: These people read the obituary notices and gather information about the family's financial standing. They may have considerable information, possibly posing as a business friend of the deceased. Payment should not be paid to anyone saying that the deceased owed him or her money without proof.)

B. Be careful of advice given by personal friends and even relatives

(NOTE: Their intentions are of the best; but when in trouble, you need help from people who have full information and the background to advise you.)

C. Do not make an investment of any sort until advice from an independent expert is obtained

(NOTE: This means do not buy securities, make loans, convert insurance policies, or make any investments. The people that you want to consult after a death are your banker, lawyer, investment counselor, accountant, and life insurance agent. It may be necessary to get a second opinion.)

VIII. Facts about prefinanced funerals (Assignment Sheet #3)

A. Individual can arrange type of funeral desired

B. Surviving family members will not have to make major decisions

(NOTE: The price of the funeral service that you desire is already established. This prevents overspending by your family.)

C. Payment is put into a trust fund account

(NOTE: This protects the money for the individual. The account is regulated by state law. The individual should obtain proof from the bank that the funeral home director did in fact deposit his or her money into the trust fund account.)

D. Funds can be used for another family member's final arrangements if the need arises

E. Fund may be transferable to another funeral home

(NOTE: Each state has its own laws governing prefinanced funeral funds.)

IX. Facts about selecting a funeral director (Assignment Sheet #3)

(NOTE: Some bereaved families are uninformed and emotionally upset, making them easy prey to that minority of funeral directors who engage in high-pressure sales tactics, misrepresentations, switching of merchandise, and price gouging. The best safeguard against those individuals is to form a preference for a reputable funeral director calmly and intelligently in advance of need.)

A. Seek advice from a minister, priest, or rabbi

(NOTE: The clergy conduct many funerals and are knowledgeable about the reputation of funeral directors.)

B. Obtain information from Better Business Bureau

C. Check that director has a good reputation and character

D. Check that director is a member of professional organizations

EXAMPLE: Is the director a member of the National Funeral Directors Association?

(NOTE: If the director is a member of a professional organization for funeral directors, the director has accepted an obligation to adhere to a fundamental code of ethics.)

X. Information that the funeral director should provide families (Assignment Sheet #3)

A. Price charged for getting the body ready for burial and display

EXAMPLES: Embalming, use of the funeral home for viewing the body by friends and relatives

B. Price of the service that has been selected and what is included

C. Price of each additional item of service and merchandise requested

EXAMPLES: Charges for use of hearse and car for the family

D. Amount of monies for items that funeral director will advance to accommodate family

EXAMPLES: Cemetery charges, transporting the body to another town or state, ordering flowers, death notices in the newspaper

XI. Tasks associated with funeral or other final service

(NOTE: Funeral services differ, depending upon personal preference. The funeral director will help with many of these details, as well as many other aspects of the funeral, such as arranging for display and transportation of floral tributes, recording names of visitors, transportation of the family and pallbearers, and filing the death certificate. The director can also assist with completing forms to receive such benefits as those a veteran would receive.)

A. Select general type of service

EXAMPLES: Funeral, memorial, or graveside service

B. Select method of disposing of body

EXAMPLES: Earth burial, cremation, donation to science

C. Select and notify funeral director

INFORMATION SHEET

D. Select time and place of service

EXAMPLES: Evening service in funeral home or church

E. Notify clergy

F. Notify relatives and friends

G. Provide information for newspaper obituary

H. Select place of interment and make arrangements for opening and closing of the grave or crypt

I. Plan the service

EXAMPLES: Select eulogist; select readings such as Scripture, poetry, or other passage that was meaningful to the deceased; select music, organist, and soloist; contact lodge or military officials for any special ceremonies; for a funeral, decide whether casket will be open or closed, and select pallbearers.

J. Choose container for remains of the deceased

EXAMPLES: Coffin, casket and outside receptacle, urn

(NOTE: Many cemeteries require a burial vault of metal or concrete around a casket to prevent the ground from sinking above the casket.)

K. Select suitable clothing for the deceased if body will be displayed or if funeral will be an open-casket service

L. Decide whether personal items will be interred with the body

EXAMPLES: Wedding ring, eyeglasses, artificial limb, gold fillings

M. Select marker, headstone, or monument

(NOTE: Many cemeteries regulate the size or style of markers; for example, some areas allow only flat markers.)

N. Arrange for payment of funeral director's expenses and other associated costs

(NOTE: Notify insurance companies to start processing papers for payment of claims.)

O. Write thank-you notes and acknowledgements

(NOTE: Send notes to those who did special acts of kindness such as sending flowers.)

XII. Ways to put body to rest (Assignment Sheet #3)

A. Earth burial

(NOTE: This method is the most popular method in many areas. If burial is on private property, consideration should be given to the fact that the land might someday be sold.)

B. Cremation

(NOTE: Human remains within a casket or other suitable container are placed in a cremation chamber where heat is applied with flames from a series of oil or gas jets. The intense heat and evaporation reduces the body to small bone fragments and ashes. Metal casket parts are removed from the ashes with the use of a strong magnet. The ashes, or remains, are then placed in a container and given to the family. The remains may be buried, scattered, or interred in an urn kept at home or placed in a mausoleum urn vault or niche.)

C. Placement in a mausoleum

D. Willing the body to science

(NOTE: The body can be willed to a medical school even if designated organs are donated. Unless the agreement specifies other plans, the medical school usually notifies the deceased person's family when the school is through with the body; it is then the family's responsibility to pick up the remains for burial, cremation, or placement in a mausoleum.)

XIII. Points to consider when selecting a cemetery lot or mausoleum crypt (Assignment Sheet #3)

A. Is cemetery or mausoleum operated by a reputable person or group?

(NOTE: Beware of professional promoters who drift from town to town, leaving dissatisfaction behind.)

B. Is cemetery lot or mausoleum crypt actually located where drawings or pictures specify?

C. Does cemetery or mausoleum have rules about the type of monument or marker used?

(NOTE: Many of the newer memorial gardens allow only grave markers flush with the ground.)

D. Are the opening and closing of the grave or crypt included in the price of the lot?

(NOTE: One should ask if use of the equipment for opening and closing the grave or vault is included in the price.)

XIV. Information that should be included in a letter of last instruction (Assignment Sheet #4)

A. Instructions about donation of organs

B. Instructions about any funeral or memorial service

INFORMATION SHEET

EXAMPLES: Pallbearers or casketbearers, music to be used, church or funeral chapel, clergy

C. Instructions about disposal of body

EXAMPLES: Place for burial, preference for cremation

D. List of survivors and friends who should be contacted

(NOTE: Include addresses and telephone numbers.)

E. Date letter was prepared

F. Information needed for death certificate

EXAMPLES: Full name, birthplace, birth date, occupation, social security number, place of interment, mother's maiden name

G. Biographical information

(NOTE: This information is helpful in preparing an obituary.)

EXAMPLES: Schools attended, occupations, memberships in organizations

H. List and locations of insurance policies and their numbers

I. Pension statements and records concerning death benefits

J. Information about lodge or fraternal membership certificates

(NOTE: These could provide death or cemetery benefits.)

K. Exact location of will

L. List of names and addresses of various advisors

EXAMPLES: Lawyers, executors of your estate, life insurance agent, accountant, investment counselor

M. Information on all outstanding debts

N. List and location of all property owned

O. List and location of all checking and savings accounts

P. Location of all other documents

EXAMPLES: Birth certificate, social security card, marriage/divorce papers, military discharge papers, auto registration

Q. Indication that the letter of last instruction is not a request, but is only a desire

INFORMATION SHEET

(NOTE: The person arranging the funeral could have guilt feelings if every request of the deceased is not fulfilled.)

XV. Purpose of estate planning — Careful estate planning under legal advice can reduce probate expenses and tax losses

(NOTE: Probate expenses involve proving before a judge that a document is genuine.)

XVI. Aids in estate planning

A. Annuities

B. Life insurance

C. Trust

D. Wills

XVII. Advantages and disadvantages of wills

A. Advantages

1. Leaves full control of property with owner until death

2. Permits owner to distribute to best meet needs and wants

3. Can be changed if conditions make it necessary

4. May offer tax advantages

B. Disadvantages

1. Fails to carry out owner's wishes if improperly planned

2. Permits owner to direct use of property for many years after death

(NOTE: This sometimes causes hardships to heirs caused by changing economic and family circumstances.)

WILLS AND FUNERALS
UNIT VI

ASSIGNMENT SHEET #1 — EVALUATE PERSONAL NEED FOR A WILL

NAME _____ SCORE _____

At the time you need a will, it is too late to make one. This may not be a very pleasant thought, but it is true.

It is important to ask for the help of an attorney when preparing a will. But before going to the attorney's office, you will need to know exactly what is in your estate.

The logical way to prepare for the help of an attorney is to make a brief outline of your estate. First, you will want to decide what to do with your personal effects, such as your tape player or your gold necklace. Such gifts are deeply prized by those receiving them.

Even though you may not need a will at this time in your life, it is important to know the significance of having a will and to know how you would want your personal things distributed. There is also a need for keeping the will updated.

Determine the need for a will by completing the following chart. These are things that you have bought with your own money or things that have been given to you.

ITEM	TO BE GIVEN TO WHOM

ASSIGNMENT SHEET #1

ITEM	TO BE GIVEN TO WHOM

ASSIGNMENT SHEET #1

ITEM	TO BE GIVEN TO WHOM

ASSIGNMENT SHEET #1

A. If someone else had decided what was to be done with your personal items, would they have made the same decisions that you did?_____

If not, how would the decisions differ?_____

_____

_____

B. Do you see the need for a will?_____

Explain your answer._____

_____

_____

_____

WILLS AND FUNERALS
UNIT VI

ASSIGNMENT SHEET #2 — INTERVIEW A PERSON WHO HAS A WILL

NAME _____ SCORE _____

Everyone should know the location of all papers, contracts, documents, and policies pertaining to his or her life. However, if you are to be responsible for taking care of business in the event a friend or family member dies, it is very important to know the exact location of that person's will.

Answer the following questions about a will. This could be your parents' will.

A. Where is the will?_____

_____

B. Is there more than one copy of the will?_____

C. What is the date of the will?_____

D. Lawyer's name_____

Address_____

E. Executor's name_____

Address_____

F. Is it a good idea to keep the only copy of a will in a safe-deposit box?

_____

Explain your answer._____

_____

_____

G. Why did you decide to make a will?_____

_____

_____

_____

H. Other questions_____

_____

_____

_____

WILLS AND FUNERALS
UNIT VI

ASSIGNMENT SHEET #3 — INTERVIEW A FUNERAL DIRECTOR

NAME _____ SCORE _____

One should start making observations and decisions about a funeral director long before the need for one arises. Before selecting a funeral director, one should observe his or her actions and facilities. Reputable funeral directors welcome public inspection of their facilities.

The following questions should be asked before selecting a funeral director.

Does the funeral home and staff seem adequate to give the kind of service you want?

Is the director's manner calm and helpful?

Using the following questions, interview a funeral director.

A. What standard services are provided by the funeral home?_____

B. What services are optional?_____

ASSIGNMENT SHEET #3

C. Does the price of the funeral include the price for the cemetery lot?_____

Does the price include opening and closing the grave?_____

D. What is the price range of a cemetery lot in your area?_____

_____

E. What is the price range of a funeral in your area?_____

F. Is there a payment plan for paying for funeral costs?_____

If so, what is the interest rate?_____

G. When purchasing a prefinanced funeral, can the director guarantee the exact funeral service that was purchased, including merchandise and service?_____

_____

H. What process does one go through when filing a death certificate?_____

_____

_____

_____

I. Does the funeral home have the responsibility of filing the death certificate?_____

J. Does the funeral home provide facilities for cremation?_____

If not, where is this service provided?_____

_____

K. What licensing is required for the personnel that work in the funeral home?

_____

_____

_____

WILLS AND FUNERALS
UNIT VI

ASSIGNMENT SHEET #4 — WRITE A LETTER OF LAST INSTRUCTION

NAME _____ SCORE _____

One should do as much preplanning for one's own funeral as possible. This may be something that you find unpleasant, but it will make things easier on your family and friends. It always makes people feel better if they think your wishes were carried out.

Part of your preplanning should include a letter of last instruction. This letter should not be stored in a safe-deposit box but should be stored in a safe place at your home or with the attorney or executor who handles the settlement of your estate. It is not part of the will, nor does it serve as a will. The letter should be opened upon the death of the individual who wrote the letter.

Using your own paper, write a letter of last instruction. This letter should be addressed to the person whom you think would make your funeral arrangements.

WILLS AND FUNERALS
UNIT VI

ANSWERS TO ASSIGNMENT SHEETS

Assignment Sheet #1 — Completed to the satisfaction of the instructor

Assignment Sheet #2 — Completed to the satisfaction of the instructor

Assignment Sheet #3 — Completed to the satisfaction of the instructor

Assignment Sheet #4 — Completed to the satisfaction of the instructor

WILLS AND FUNERALS
UNIT VI

TEST

NAME _____ SCORE _____

1. Match terms associated with wills and funerals to their correct definitions. Write the correct numbers in the blanks.

_____a. Legal statement of a person's wishes concerning the disposal of his or her property after death

_____b. Individuals under the age of eighteen

_____c. Usually an impressive, almost churchlike building that contains a series of vaults called *crypts* for entombment of bodies, and niches for placement of urns

_____d. Ceremony during which relatives, friends, and associates pay their respects to the deceased and comfort the survivors

_____e. Introducing disinfectant and preservative chemicals into the arterial system of a dead body, removing contents of the veins

_____f. Act of burning a dead body to ashes

_____g. Person appointed by the maker of the will to carry out the provisions and direction of the will

1. Funeral
2. Cremation
3. Executor
4. Will
5. Mausoleum
6. Embalming
7. Minor children

2. Select from the following list facts about wills. Write an "X" in the blank before each correct answer.

_____a. Do not become effective immediately upon the death of the maker

_____b. Allow for property to be sold immediately upon death of maker of will

_____c. Control only the property individually owned by the maker of the will

_____d. Have no force or effect until the maker dies

_____e. Provide every detail that maker wants carried out upon his or her death

TEST

3. State four reasons for having a will.

   a. _____

   b. _____

   c. _____

   d. _____

4. Discuss consequences of dying without a will.

   _____

   _____

   _____

   _____

   _____

5. Select from the following list information needed before writing a will. Write an "X" in the blank before each correct answer.

   _____a. Dates of birth for all relatives

   _____b. Complete listing and description of property, cash, and investments that are owned

   _____c. Names of all children and their ages

   _____d. Names of people who are not to be included in the will

   _____e. Names of beneficiaries and what you want them to receive from your estate

   _____f. Names of songs that are to be included in funeral service

   _____g. List of locations of all important documents

   _____h. Name of an executor to handle the estate

   _____i. Name of a guardian for minor children

TEST

6. Explain briefly the advantages of a Living Will.

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

7. State two ways to avoid losing assets after the death of a family member.

a. _____

_____

b. _____

_____

8. Select from the following list facts about prefinanced funerals. Write an "X" in the blank before each correct answer.

_____a. Funds can be used for another family member's final arrangements if the need arises

_____b. Surviving family members will not have to make major decisions

_____c. Changes can be made by family members to carry out their wishes

_____d. Payment is put into a trust fund account

_____e. Individual can arrange type of funeral desired

_____f. Arrangements must be made at least ninety days before the funeral

_____g. Fund may be transferable to another funeral home

TEST

9. State three facts about selecting a funeral director.

   a. _____

   b. _____

   c. _____

10. Select from the following list information that the funeral director should provide families. Write an "X" in the blank before each correct answer.

   _____a. Price charged for getting the body ready for burial and display

   _____b. Price charged by pallbearers

   _____c. Amount of monies for items that funeral director will advance to accommodate family

   _____d. Price of each additional item of service and merchandise requested

   _____e. Warranty information for the coffin

   _____f. Price of the service that has been selected and what is included

11. Discuss tasks associated with funeral or other final service — _____

TEST

12. List three ways to put body to rest.

a. _____

b. _____

c. _____

13. State three points to consider when selecting a cemetery lot or mausoleum crypt.

a. _____

_____

b. _____

_____

c. _____

_____

14. Discuss information that should be included in a letter of last instruction — _____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

TEST

15. State the purpose of estate planning.

_____

_____

16. Name two aids in estate planning.

a. _____

b. _____

17. Distinguish between advantages and disadvantages of wills. Place an "A" before the advantages and a "D" before the disadvantages.

_____a. Fails to carry out owner's wishes if improperly planned

_____b. Leaves full control of property with owner until death

_____c. May offer tax advantages

_____d. Permits owner to distribute to best meet needs and wants

_____e. Can be changed if conditions make it necessary

_____f. Permits owner to direct use of property for many years after death

(NOTE: Test questions 18-21 list the assignment sheets. They are an important part of this test. If they have not been completed, check with your instructor.)

18. Evaluate personal need for a will.

19. Interview a person who has a will.

20. Interview a funeral director.

21. Write a letter of last instruction.

WILLS AND FUNERALS
UNIT VI

ANSWERS TO TEST

(NOTE: It may be helpful to use your blank test to make a test key.)

1. (14 points)
   a. 4
   b. 7
   c. 5
   d. 1
   e. 6
   f. 2
   g. 3

2. a, c, d

3. Answer should include any four of the following

   a. Distribute assets as you wish
   b. Reduce cost and time for settling the estate
   c. Name an executor of the will
   d. Name a guardian for minor children
   e. Establish trust funds
   f. Avoid family quarrels

4. Discussion should include the following

   a. State law determines how your assets will be distributed
   b. Courts will appoint an executor of your estate
   c. Courts will appoint a guardian for your minor children
   d. Cost may be more to settle your estate, and your family may receive less

5. b, c, e, g, h, i

6. Answer should include at least three of the following:

   a. Reduces suffering and agony of the terminally ill or injured person
   b. Reduces extensive medical costs to family
   c. Reduces grieving time of family members
   d. Protects terminally ill or injured from suffering through prolonged medical treatments
   e. Relieves family members from having to make decisions regarding the use or continued use of life support system
   f. Gives the signee control of his/her life

ANSWERS TO TEST

7. Answer should include any two of the following

   a. Beware of high-pressure promoters and swindlers
   b. Be careful of advice given by personal friends and even relatives
   c. Do not make an investment of any sort until advice from an independent expert is obtained

8. a, b, d, e, g

9. Answer should include any three of the following

   a. Seek advice from a minister, priest, or rabbi
   b. Obtain information from Better Business Bureau
   c. Check that director has a good reputation and character
   d. Check that director is a member of professional organizations

10. a, c, d, f

11. Discussion should include the following

   a. Select general type of service
   b. Select method of disposing of body
   c. Select and notify funeral director
   d. Select time and place of service
   e. Notify clergy
   f. Notify relatives and friends
   g. Provide information for newspaper obituary
   h. Select place of interment and make arrangements for opening and closing of the grave or crypt
   i. Plan the service
   j. Choose container for remains of the deceased
   k. Select suitable clothing for the deceased if body will be displayed or if funeral will be an open-casket service
   l. Decide whether personal items will be interred with the body
   m. Select marker, headstone, or monument
   n. Arrange for payment of funeral director's expenses and other associated costs
   o. Write thank-you notes and acknowledgements

12. Answer should include any three of the following

   a. Earth burial
   b. Cremation
   c. Placement in a mausoleum
   d. Willing the body to science

ANSWERS TO TEST

13. Answer should include any three of the following

    a. Is cemetery or mausoleum operated by a reputable person or group?
    b. Is cemetery lot or mausoleum crypt actually located where drawings or pictures specify?
    c. Does cemetery or mausoleum have rules about the type of monument or marker used?
    d. Are the opening and closing of the grave or crypt included in the price of the lot?

14. Discussion should include the following

    a. Instructions about donation of organs
    b. Instructions about any funeral or memorial service
    c. Instructions about disposal of body
    d. List of survivors and friends who should be contacted
    e. Date letter was prepared
    f. Information needed for death certificate
    g. Biographical information
    h. List and locations of insurance policies and their numbers
    i. Pension statements and records concerning death benefits
    j. Information about lodge or fraternal membership certificates
    k. Exact location of will
    l. List of names and addresses of various advisors
    m. Information on all outstanding debts
    n. List and location of all property owned
    o. List and location of all checking and savings accounts
    p. Location of all other documents
    q. Indication that the letter of last instruction is not a request, but is only a desire

15. Careful estate planning under legal advice can reduce probate expenses and tax losses

16. Any two of the following:

    a. Annuities
    b. Life insurance
    c. Trust
    d. Wills

17. a. D
    b. A
    c. A
    d. A
    e. A
    f. D

ANSWERS TO TEST

18. Completed to the satisfaction of the instructor

19. Completed to the satisfaction of the instructor

20. Completed to the satisfaction of the instructor

21. Completed to the satisfaction of the instructor